1 October 2004

Dear Sir Emyr,

In paragraph 16 of resolution 1051 (1996), the Director General of the IAEA is requested to submit consolidated progress reports every six months to the Security Council, commencing 11 April 1996*, on the IAEA's verification activities in Iraq pursuant to paragraphs 12 and 13 of United Nations Security Council resolution 687 (1991) and related resolutions.

Since 17 March 2003, the IAEA has not been in a position to implement its mandate in Iraq under resolution 687 (1991) and related resolutions. Given the adoption by the Council, in June 2004, of resolution 1546 (2004), the IAEA's understanding remains that the IAEA's mandate pursuant to those resolutions continues to be valid until the Security Council decides otherwise. Until such time, the IAEA remains ready, subject to Security Council guidance and the prevailing security situation, to resume its Security Council mandated verification activities in Iraq.

During the period covered by this report, the IAEA has continued to consolidate, restructure and further analyze information collected through the activities implemented since 1991, with the objective of identifying lessons learned; securing data in paper and electronic archives for improved future access and maintenance of knowledge; and developing approaches for future nuclear verification in Iraq in view of past experience and the evolving situation. The origin of the information obtained with respect to Iraq during the reporting period remains principally open sources and commercial satellite imagery of locations of interest to the IAEA. In order for the IAEA to complete the assessment of Iraq's past nuclear programmes and capabilities, as contemplated in the relevant Security Council resolutions, it is essential for the IAEA to be provided by all States with information that could be of relevance to that task.

As a result of its ongoing review of satellite imagery acquired on a regular basis, and follow up investigations, the IAEA continues to be concerned about the widespread and apparently systematic dismantlement that has taken place at sites previously relevant to Iraq's

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nuclear programme and sites previously subject to ongoing monitoring and verification by the IAEA. The imagery shows in many instances the dismantlement of entire buildings that housed high precision equipment (such as flow forming, milling and turning machines; electron beam welders; coordinate measurement machines) formerly monitored and tagged with IAEA seals, as well as the removal of equipment and materials (such as high strength aluminium) from open storage areas.

As indicated previously to the Council, the IAEA, through visits to other countries, has been able to identify quantities of industrial items, some radioactively contaminated, that had been transferred out of Iraq from sites monitored by the IAEA. However, none of the high quality dual use equipment or materials referred to above has been found. As the disappearance of such equipment and materials may be of proliferation significance, any State that has information about the location of such items should provide the IAEA with that information.

In this context, it is recalled that items listed in Annex 3 of the IAEA's Ongoing Monitoring and Verification (OMV) Plan (document S/2001/561) are to be notified to the IAEA, by Iraq and by the exporting/importing States, when imported by or exported from Iraq, in accordance with the Export-Import Mechanism approved in Security Council resolution 1051 (1996). In addition, pursuant to the OMV plan, Iraq is obliged to declare semi-annually changes that have occurred or are foreseen at sites deemed relevant by the Agency. The Agency has received no such notifications or declarations from any State since the Agency's inspectors were withdrawn from Iraq in March 2003, although the materials and equipment referred to above are relevant to Annex 3.

As reported in my letter S/2004/538 of 6 July 2004, the IAEA was informed by the United States Government that 1.8 tons of uranium enriched to 2.6% in uranium–235 and some additional 3 kilograms of uranium of various low enrichments, together with approximately 1000 highly radioactive sources, had, with the consent of the Interim Iraqi Government, been removed from Iraq and transferred to the United States. Pursuant to Iraq's Safeguards Agreement with the IAEA, on 3 and 4 August 2004, the IAEA carried out its annual physical inventory verification of the remaining 550 tons of nuclear material in Iraq located at the Location C Nuclear Material Storage Facility near the Tuwaitha complex south of Baghdad. The Agency inspectors were able to verify the presence of the nuclear material subject to safeguards.

Following the transfer of responsibility and authority for governing Iraq to the Interim Government of Iraq on 30 June 2004, the Minister of Science and Technology of Iraq, Dr. Rashad M. Omar, visited the IAEA in July 2004 and discussed, *inter alia,* matters related to the implementation of the relevant Security Council resolutions. This was followed by a series of letters and a visit to the IAEA in September 2004 by an Iraqi delegation from the Ministry, in the course of which Iraq submitted a number of requests for assistance. Specifically, Iraq requested: IAEA assistance in the sale of the remaining nuclear material at

Tuwaitha (with the exception of a small quantity to be retained for research purposes); IAEA assistance in the dismantlement and decontamination of former nuclear facilities; and the resumption of the provision of IAEA assistance under a number of Technical Cooperation projects that had previously been approved by the Security Council Committee established pursuant to resolution 661 (1990), but which had been put on hold following the suspension of inspections in December 1998. The Agency is assessing the possibility of providing such assistance.

I should be grateful if you would arrange for this letter to be distributed as a document of the Security Council.

Yours sincerely,

Mohamed ElBaradei

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* The previous consolidated reports of the Director General of the International Atomic Energy Agency were circulated as documents: S/1996/261 of 11 April 1996; S/1996/833 of 7 October 1996; S/1997/297 of 11 April 1997; S/1997/779 of 8 October 1997; S/1998/312 of 9 April 1998; S/1998/927 of 7 October 1998; S/1999/393 of 7 April 1999; S/1999/1035 of 7 October 1999; S/2000/300 of 11 April 2000; S/2000/983 of 11 October 2000; S/2001/337 of 6 April 2001; S/2001/945 of 5 October 2001; S/2002/367 of 16 April 2002; S/2002/1150 of 16 October 2002, S/2003/422 of 14 April 2003, S/2003/993 of 14 October 2003 and S/2004/285 of 13 April 2004. Document S/1998/694, dated 27 July 1998, contained the text of an interim status report provided in response to the Security Council presidential statement dated 14 May 1998 (S/PRST/1998/11). Document S/1999/127, dated 9 February 1999, contained the text of an interim status report provided in response to the note by the President of the Security Council dated 30 January 1999 (S/1999/100). Following the resumption of the IAEA's Security Council-mandated activities in Iraq in November 2002, the Council requested several updates. The IAEA provided these updates in the form of a report (Update Report for the Security Council pursuant to resolution 1441 (S/2003/95), dated 27 January 2003) and oral statements to the Security Council by the Director General (on 19 December 2002, 9 January 2003, 27 January 2003, 14 February 2003 and 7 March 2003). Finally, the "Work Programme of the International Atomic Energy Agency in Iraq pursuant to Security Council Resolution 1284 (1999)" was provided to the Security Council on 20 March 2003 (S/2003/342).