



INF

International Atomic Energy Agency

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THE TEXTS OF THE INSTRUMENTS CONCERNING THE AGENCY'S ASSISTANCE TO VENEZUELA FOR THE CONTINUATION OF A RESEARCH REACTOR PROJECT

1. The texts^[1] of the Title Transfer Agreement between the Agency and the Governments of the United States of America and Venezuela, and of the Project Agreement between the Agency and the Government of Venezuela concerning the Agency's assistance to that Government for the continuation of a research reactor project, are reproduced herein for the information of all Members.
2. Both Agreements entered into force on 7 November 1975, pursuant to Articles IV and X respectively.

[1] The footnotes to the texts have been added in the present information circular.

I. TITLE TRANSFER AGREEMENT

CONTRACT FOR THE TRANSFER OF TITLE TO ENRICHED URANIUM
FOR A RESEARCH REACTOR

WHEREAS the Government of Venezuela (hereinafter called "Venezuela") has leased from the Government of the United States of America (hereinafter called the "United States") certain enriched uranium for use in the RV-1 research reactor at the Venezuelan Scientific Research Institute (hereinafter called the "reactor");

WHEREAS under the Agreement for Co-operation between the International Atomic Energy Agency (hereinafter called the "Agency") and the United States, as amended (hereinafter called the "Co-operation Agreement") [2], the United States undertook to make available to the Agency from time to time quantities of special fissionable material as may be authorized by the United States;

WHEREAS Venezuela, desiring to obtain title to a portion of the enriched uranium previously leased to it to facilitate the operation of the reactor as a project for research on, and the practical application of, atomic energy for peaceful purposes, has requested the Agency to assist it in acquiring title to such portion of the uranium;

WHEREAS, in order to assist and encourage research on peaceful uses or for medical therapy, the United States has, in each calendar year, offered to distribute to the Agency, free of charge, special fissionable material of a value of up to US \$50 000 at the time of transfer, to be supplied from the amounts specified in Article II, A of the Co-operation Agreement;

WHEREAS the United States has found the project to which this Contract relates eligible under the gift offer for calendar year 1973 to the extent of US \$36 776.49;

WHEREAS Venezuela and the United States have concluded an amendment to their lease agreement under which the special nuclear materials lease account established by the United States for Venezuela will be credited with the value or worth of the nuclear material title to which is to be transferred hereunder; and

WHEREAS the Board of Governors of the Agency approved the project on 20 February 1973, and the Agency and Venezuela are this day concluding an agreement relating to the project [3];

NOW, THEREFORE, the Agency, Venezuela, and the United States Energy Research and Development Administration (hereinafter called the "Administration"), acting on behalf of the United States, hereby agree as follows:

ARTICLE I

Transfer of title to enriched uranium

Section 1. Subject to the provisions of the Co-operation Agreement, the Administration shall transfer without charge to the Agency, the Agency shall accept from the

[2] Reproduced in document INFCIRC/5, part III, as amended by the agreement reproduced in document INFCIRC/5/Mod.1.

[3] Part II of this document.

Administration and retransfer without charge to Venezuela, and Venezuela shall accept from the Agency title to 15 256 grams of uranium enriched to approximately 17.7% by weight in the isotope uranium-235 and to 1008 grams of uranium enriched to approximately 19.92% by weight in the isotope uranium-235 (hereinafter called the "supplied material"), valued at US \$36 776.49, which material constitutes a portion of the enriched uranium leased by the Administration to Venezuela for the reactor and is at present located at the Venezuelan Scientific Research Institute near Caracas, Venezuela.

Section 2. Title to the supplied material shall vest in the Agency upon entry into force of this Contract and shall thereafter immediately and automatically vest in Venezuela.

ARTICLE II

Responsibility

Section 3. Neither the Agency nor any person acting on its behalf shall at any time bear any responsibility towards Venezuela or any person claiming through Venezuela for the safe handling and the use of the supplied material.

Section 4. Neither the United States, nor the Administration, nor any person acting on behalf of the Administration shall bear any responsibility for the safe handling and the use of the supplied material.

ARTICLE III

Officials not to benefit

Section 5. No Member of the Congress of the United States of America or Resident Commissioner of the United States of America shall be admitted to or share any part of this Contract or any benefit that may arise therefrom.

ARTICLE IV

Entry into force

Section 6. This Contract shall enter into force upon signature by or for the Director General of the Agency and by the authorized representatives of Venezuela and the Administration.

DONE in Vienna, on the seventh day of November 1975, in triplicate in the English and Spanish languages, the texts in both languages being equally authentic.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) Sigvard Eklund

For the GOVERNMENT OF VENEZUELA:

(signed) F. Arocha Castresana

For the UNITED STATES ENERGY RESEARCH AND DEVELOPMENT
ADMINISTRATION on behalf of the GOVERNMENT OF THE
UNITED STATES OF AMERICA:

(signed) Allan M. Labowitz

II. PROJECT AGREEMENT

AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY
AND THE GOVERNMENT OF VENEZUELA FOR ASSISTANCE BY THE
AGENCY TO VENEZUELA IN CONTINUING A REACTOR PROJECT

WHEREAS the Government of Venezuela (hereinafter called "Venezuela"), desiring to continue a project for research on, and development and practical application of, atomic energy for peaceful purposes, has requested the assistance of the International Atomic Energy Agency (hereinafter called the "Agency") in securing the special fissionable material necessary for this purpose;

WHEREAS the Board of Governors of the Agency approved the project on 20 February 1973;

WHEREAS under the Agreement for Co-operation between the Agency and the Government of the United States of America (hereinafter called the "United States"), as amended (hereinafter called the "Co-operation Agreement") [2], the United States undertook to make available to the Agency from time to time quantities of special fissionable material as may be authorized by the United States; and

WHEREAS the Agency, Venezuela and the United States Energy Research and Development Administration, acting on behalf of the United States, are this day concluding a contract for the transfer of title to enriched uranium for a research reactor in Venezuela (hereinafter called the "Title Transfer Agreement") [4];

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

ARTICLE I

Definition of the Project

Section 1. The project to which this Agreement relates is the operation of the RV-1 research reactor at the Venezuelan Scientific Research Institute (hereinafter called "the reactor").

ARTICLE II

Supply of Special Fissionable Material

Section 2. The Agency hereby allocates to the project described in Article I, and provides to Venezuela, enriched uranium (hereinafter called the "supplied material") pursuant to the terms of the Title Transfer Agreement, which constitutes an integral part of this Agreement to the extent that it creates rights and obligations between the Agency and Venezuela.

ARTICLE III

Shipment of the Supplied Material

Section 3. Any part of the supplied material, the shipment of which is arranged by Venezuela while the material is in its possession, shall be entrusted to a licensed public carrier selected by Venezuela or shall be accompanied by a responsible person designated by Venezuela.

[4] Part I of this document.

ARTICLE IV

Agency Safeguards

Section 4. Venezuela undertakes that the reactor and the supplied material, and any special fissionable material produced by their use, as well as any other material or facility while listed on the Inventory established pursuant to Annex A, shall not be used in such a way as to further any military purpose.

Section 5. It is specified that the safeguards rights and responsibilities of the Agency provided for in paragraph A of Article XII of its Statute are relevant to the project and shall be implemented in accordance with Annex A to this Agreement.

ARTICLE V

Health and Safety Measures

Section 6. The health and safety measures specified in Annex B shall be applied to the project.

ARTICLE VI

Agency Inspectors

Section 7. The provisions set forth in the Annex to Agency document GC(V)/INF/39 (which Annex is hereinafter called 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 procedures for implementing paragraph 50 of Agency document INFCIRC/66/Rev. 2 (hereinafter called the "Safeguards Document") shall be agreed by the Agency and Venezuela in an agreement supplementing this Agreement, before such facility or material is listed in the Inventory.

Section 8. The relevant provisions of the Agreement on the Privileges and Immunities of the Agency[5] shall apply to the Agency, its inspectors and its property used by them in performing their functions pursuant to this Agreement.

Section 9. Venezuela 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 nuclear installation 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 Venezuela.

ARTICLE VII

Information and Rights to Inventions and Discoveries

Section 10. In conformity with paragraph B of Article VIII of the Statute of the Agency, Venezuela shall make available to the Agency without charge all scientific information developed as a result of the assistance extended by the Agency.

Section 11. In view of its degree of participation, the Agency claims no rights in any inventions or discoveries arising from the execution of the project. The Agency may, however, be granted licences under any patents upon terms to be agreed.

[5] INFCIRC/9/Rev. 2.

ARTICLE VIII

Languages

Section 12. Reports and other information should be submitted to the Agency in one of the working languages of the Board of Governors of the Agency.

ARTICLE IX

Settlement of Disputes

Section 13. Any dispute arising out of the interpretation or application of this Agreement which is not settled by negotiation or as may otherwise be agreed by the Parties shall on the request of either Party be submitted to an arbitral tribunal composed of three arbitrators. Each Party shall 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 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. A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall be made by majority vote. The arbitral procedure shall be fixed by the tribunal. Upon application by either Party, and if necessary to ensure that this Agreement continues to function effectively, the arbitral tribunal shall be empowered to decide upon interim measures pending a final decision on the dispute. All decisions of the tribunal, including rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the Parties, shall be binding on both Parties. The remuneration of the arbitrators shall be determined on the same basis as that of ad hoc judges of the International Court of Justice.

Section 14. Decisions of the Board of Governors of the Agency concerning the implementation of Article IV, V or VI shall, if they so provide, be given effect immediately by the Agency and Venezuela pending the final settlement of any dispute.

ARTICLE X

Entry into Force

Section 15. This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of Venezuela.

DONE in Vienna, on the seventh day of November 1975, in triplicate in the English and Spanish languages, the texts in both languages being equally authentic.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) Sigvard Eklund

For the GOVERNMENT OF VENEZUELA:

(signed) F. Arocha Castresana

ANNEX A

AGENCY SAFEGUARDS

A. Inventory of Items Subject to Safeguards

1. The Agency shall establish, in accordance with paragraph 2 below, an inventory (hereinafter called the "Inventory") of all nuclear material and facilities subject to safeguards under this Agreement. The Inventory shall be maintained on the basis of the reports received from Venezuela pursuant to the procedures provided for in paragraph 6 below and of other decisions, determinations and arrangements made pursuant to this Annex. Nuclear material referred to in sub-paragraph 2(a)(ii) below shall be considered as being listed in the Inventory from the time that it is produced, processed or used within the meaning of that sub-paragraph. The Agency shall send copies of the Inventory to Venezuela every twelve months and also at any other times specified by Venezuela in a request communicated to the Agency at least two weeks in advance.

2. The following nuclear material and facilities shall be listed in the indicated parts of the Inventory:

(a) Main Part:

- (i) The reactor and the supplied material, and nuclear material substituted in accordance with paragraph 25 or 26(d) of the Safeguards Document for any nuclear material listed in accordance with this sub-paragraph;
- (ii) Nuclear material that is being or has been produced, processed or used in the reactor or produced in or by the use of any nuclear material listed in the main part of the Inventory, and nuclear material substituted in accordance with paragraph 25 or 26(d) of the Safeguards Document for any nuclear material listed in accordance with this sub-paragraph;

(b) Subsidiary Part: Any facility while it contains any nuclear material listed in the main part of the Inventory.(c) Inactive Part:

- (i) Nuclear material which has been exempted from safeguards pursuant to paragraph 3 below;
- (ii) Nuclear material with regard to which safeguards have been suspended pursuant to paragraph 3 below.

3. The Agency shall exempt nuclear material from safeguards 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. Upon such exemption or suspension, the nuclear material affected shall be transferred from the main to the inactive part of the Inventory.

4. The Agency shall terminate safeguards with respect to nuclear material under the conditions specified in paragraph 26 of the Safeguards Document and may make arrangements with Venezuela to terminate safeguards pursuant to paragraph 27. Upon such termination the nuclear material affected shall be removed from the Inventory.

B. Safeguards Procedures

5. In applying safeguards, the Agency shall observe the principles set forth in paragraphs 9-14 of the Safeguards Document.
6. The procedures for the application of safeguards by the Agency under this Agreement shall be those set forth in Part III of the Safeguards Document. The Agency shall make arrangements with Venezuela concerning the detailed implementation of those procedures.
7. The application of safeguards to nuclear material and facilities under this Agreement shall be suspended to the extent that safeguards are applied to such material and facilities pursuant to the Agreement signed on 27 March 1968 between the Agency, Venezuela and the United States for the Application of Safeguards[6].
8. The Agency may request the information referred to in paragraph 41 of the Safeguards Document and make an initial inspection or inspections in accordance with paragraphs 51 and 52 of the Document.
9. Venezuela shall inform the Agency of its intention to transfer any nuclear material listed in the main part of the Inventory to a facility within its jurisdiction in connection with which the Agency is not applying safeguards, and shall provide to the Agency sufficient information to enable it to determine whether, and under what conditions, it can apply safeguards in connection with the facility. The material may only be transferred when all necessary arrangements with the Agency have been concluded for the application of safeguards in connection with the facility.
10. Nuclear material listed in the main part of the Inventory may only be transferred beyond the jurisdiction of Venezuela in accordance with the provisions of paragraph 28 of the Safeguards Document. The reactor may only be so transferred in accordance with such provisions, mutatis mutandis. If any material or the reactor is transferred in accordance with this Section, it shall thereupon be removed from the Inventory.
11. If the Board of Governors of the Agency determines that there has been any non-compliance with this Agreement, the Board shall call upon Venezuela to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. If Venezuela fails to take fully corrective action within a reasonable time, the Board may take any measures provided for in Article XII. C of the Statute of the Agency.

C. Interpretation and Amendment

12. This Annex shall be interpreted in the light of the Agency's safeguards system, as set forth in the Safeguards and Inspectors Documents.
13. If the Board of Governors of the Agency decides to make any change in the Safeguards or Inspectors Documents, this Agreement shall be amended, at the request of Venezuela, to take account of such change.

[6] INFCIRC/122.

ANNEX B

HEALTH AND SAFETY MEASURES

1. The health and safety measures applicable to the project shall be those set forth in Agency document INFCIRC/18 (hereinafter called the "Health and Safety Document"), as specified below.
2. Venezuela shall apply the Agency's Basic Safety Standards[7] and relevant provisions of the Agency's Regulations for the Safe Transport of Radioactive Materials[8], as these Standards and Regulations are revised from time to time, and shall as far as possible apply them also to any shipment of supplied material outside Venezuela. Venezuela shall endeavour to ensure safety conditions as recommended in the relevant parts of the Agency's codes of practice[9].
3. Venezuela shall arrange for the submission to the Agency, at least 60 days prior to the proposed transfer of any of the supplied material to the jurisdiction of Venezuela, of a detailed health hazards report containing the information specified in paragraph 29 of the Health and Safety Document, with particular reference to the following types of operations, to the extent that such information is relevant and not yet available to the Agency:
 - (a) Receipt and handling of supplied material;
 - (b) Loading of fuel into the reactor;
 - (c) Start-up and pre-operational testing of the reactor with the supplied material;
 - (d) Experimental programme and procedures involving the reactor;
 - (e) Unloading of fuel from the reactor;
 - (f) Handling and storage of fuel after unloading.

The transfer shall not take place until the Agency has determined that the safety measures, as described in the report, are acceptable. The Agency may require further safety measures in accordance with paragraph 30 of the Health and Safety Document. Should Venezuela desire to make substantial modifications to the procedures with respect to which information was submitted, or to perform any operations with the reactor (including finally closing it down) or with the supplied material as to which operation no such information was submitted, it shall submit to the Agency all relevant information as specified in paragraph 29 of the Health and Safety Document in sufficient time to enable the Agency to perform its task in accordance with paragraph 30 of the Document before such modified procedures or additional operations are carried out.

4. Venezuela shall arrange for the submission of the reports specified in paragraph 25 of the Health and Safety Document, the first report to be submitted not later than twelve months after the entry into force of this Agreement. In addition, the reports specified in paragraphs 26 and 27 of the Document shall be submitted.

[7] Safety Series No. 9, 1967 Edition (STI/PUB/147).

[8] Ibid., No. 6, 1973 Revised Edition (STI/PUB/323).

[9] Ibid., No. 35, Safe Operation of Critical Assemblies and Research Reactors, 1971 Edition (STI/PUB/225).

5. The Agency may inspect the reactor, in accordance with paragraphs 33 to 35 of the Health and Safety Document, at the time of initial start-up with the supplied material once during the first year of operation, and thereafter not more than once a year, provided that special inspections may be carried out in the circumstances specified in paragraph 32 of the Document.

6. Changes may be made in the safety standards and measures laid down in this Annex, in accordance with paragraphs 38 and 39 of the Health and Safety Document.