

- (ii) If the Government of the G.D.R., either upon proposal of a designation or at any other time after a designation has been made, objects to the designation, the Agency shall propose to the Government of the G.D.R. an alternative designation or designations,
- (iii) If, as a result of the repeated refusal of the Government of the G.D.R. to accept the designation of Agency inspectors, inspections to be conducted under this Agreement would be impeded, such refusal shall be considered by the Board, upon referral by the Director General of the Agency (hereinafter referred to as "the Director General"), with a view to its taking appropriate action.
- (b) The Government of the G.D.R. shall take the necessary steps to ensure that Agency inspectors can effectively discharge their functions under this Agreement.
- (c) The visits and activities of Agency inspectors shall be so arranged as:
 - (i) To reduce to a minimum the possible inconvenience and disturbance to the G.D.R. and to the peaceful nuclear activities inspected; and
 - (ii) To ensure protection of industrial secrets or any other confidential information coming to the inspectors' knowledge.

PRIVILEGES AND IMMUNITIES

Article 10

The Government of the G.D.R. shall accord to the Agency (including its property, funds and assets) and to its inspectors and other officials, performing functions under this Agreement, the same privileges and immunities as those set forth in the relevant provisions of the Agreement on the Privileges and Immunities of the International Atomic Energy Agency.

TERMINATION OF SAFEGUARDS

Consumption or dilution of nuclear material

Article 11

Safeguards shall terminate on nuclear material upon determination by the Agency that the material has been consumed, or has been diluted in such a way that it is no longer usable for any nuclear activity relevant from the point of view of safeguards, or has become practically irrecoverable.

Transfer of nuclear material out of the G.D.R.

Article 12

The Government of the G.D.R. shall give the Agency advance notification of intended transfers of nuclear material subject to safeguards under this Agreement out of the G.D.R., in accordance with the provisions set out in Part II of this Agreement. The Agency shall terminate safeguards on nuclear material under this Agreement when the recipient State has assumed responsibility therefor, as provided for in Part II of this Agreement. The Agency shall maintain records indicating each transfer and, where applicable, the re-application of safeguards to the transferred nuclear material.

Provisions relating to nuclear material to be used in non-nuclear activities

Article 13

Where nuclear material subject to safeguards under this Agreement is to be used in non-nuclear activities, such as the production of alloys or ceramics, the Gov-

ernment of the G.D.R. shall agree with the Agency, before the material is so used, on the circumstances under which the safeguards on such material may be terminated.

NON-APPLICATION OF SAFEGUARDS TO NUCLEAR MATERIAL TO BE USED IN NON-PEACEFUL ACTIVITIES

Article 14

If the Government of the G.D.R. intends to exercise its discretion to use nuclear material which is required to be safeguarded under this Agreement in a nuclear activity which does not require the application of safeguards under this Agreement, the following procedures shall apply:

- (a) The Government of the G.D.R. shall inform the Agency of the activity, making it clear:
 - (i) That the use of the nuclear material in a non-proscribed military activity will not be in conflict with an undertaking the G.D.R. may have given and in respect of which Agency safeguards apply, that the material will be used only in a peaceful nuclear activity; and
 - (ii) That during the period of non-application of safeguards the nuclear material will not be used for the production of nuclear weapons or other nuclear explosive devices;
- (b) The Government of the G.D.R. and the Agency shall make an arrangement so that, only while the nuclear material is in such an activity, the safeguards provided for in this Agreement will not be applied. The arrangement shall identify, to the extent possible, the period or circumstances during which safeguards will not be applied. In any event, the safeguards provided for in this Agreement shall apply again as soon as the nuclear material is reintroduced into a peaceful nuclear activity. The Agency shall be kept informed of the total quantity and composition of such unsafeguarded material in the G.D.R. and of any export of such material; and
- (c) Each arrangement shall be made in agreement with the Agency. Such agreement shall be given as promptly as possible and shall relate only to such matters as, inter alia, temporal and procedural provisions and reporting arrangements, but shall not involve any approval or classified knowledge of the military activity or relate to the use of the nuclear material therein.

FINANCE

Article 15

The Government of the G.D.R. shall fully reimburse to the Agency the safeguards expenses which the Agency incurs under this Agreement. However, if the G.D.R. or persons under its jurisdiction incur extraordinary expenses as a result of a specific request by the Agency, the Agency shall reimburse such expenses provided that it has agreed in advance to do so. In any case the Agency shall bear the cost of any additional measuring or sampling which inspectors may request.

THIRD PARTY LIABILITY FOR NUCLEAR DAMAGE

Article 16

The Government of the G.D.R. shall ensure that any protection against third party liability in respect of nuclear damage, including any insurance or other