# The IAEA and Iran's nuclear programme Entirely legitimate or clandestine intent?

Nigel Chamberlain

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#### Introduction

Iran is developing an extensive nuclear programme. The Iranian Government says it is entirely legitimate and necessitated by growing energy demands and the need to diversify energy sources. The Bush Administration openly accuses Iran of working on a clandestine nuclear weapons programme. European governments have played a more conciliatory role, seeking greater transparency in exchange for civil nuclear technology transfer. The International Atomic Energy Agency (IAEA) has been trying to establish the facts and has called on Iran to fully account for its activities by the end of October 2003.

On October 21, after concerted diplomacy between senior Iranian officials and British Foreign Secretary Jack Straw, French Foreign Minister Dominique de Villepin, and German Foreign Minister Joschka Fischer, Iran announced that it would temporarily suspend its uranium enrichment programme and sign the Additional Protocol, requiring more robust inspections. Dr. Rowhani, head of Iran's Supreme National Security Council, stated that Iran would probably sign the protocol before the next IAEA Board meeting, scheduled for November 20. In exchange for full compliance, the three European ministers stated that, "Iran could expect easier access to modern technology and supplies in a range of areas." The White House cautiously welcomed Iran's announcement, although implementation of the pact is seen as more important than the encouraging language in the communiqué.

Is the announcement a welcome shot in the arm for traditional global non-proliferation efforts conducted under the collective auspices of the UN's IAEA and the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)? Or will it turn out that Iran was cheating all along, thereby giving further succour to neoconservative critics in Washington who see such multilateral agreements as unenforceable?

In this paper, BASIC Analyst, Nigel Chamberlain, reviews the stated positions of the leading protagonists and the intervening roles played by the IAEA and the European Union.[1] He concludes by acknowledging the positive outcome of the EU initiative, which offers some encouragement to the IAEA efforts to bring Iran into full compliance with non-proliferation norms for non-nuclear weapons states under the NPT. A more critical tone is adopted towards the handling of those states remaining outside the provisions of the NPT and to nuclear weapons states own contribution to nuclear proliferation. Finally, there is a reminder that Iran will have the capability to develop, and deliver, nuclear weapons if it decides to reverse recent decisions.

# The Iranian Perspective

Iran ratified the IAEA statute in 1958 and under its provisions is committed to the peaceful use of nuclear energy and non-proliferation of nuclear weapons. Iran signed the NPT in 1970 and the Comprehensive Test Ban Treaty in September 1996, but has yet to ratify the latter. In his statement earlier this year, Iranian Vice-President Aghazadeh stated:

As to the safeguards regime, I should say Iran was among the first countries to accept the relevant international commitments. Iran signed a Comprehensive Safeguards Agreement with the IAEA in 1973 based on Article 3 of the NPT under which it undertook to place its nuclear activities and facilities under the surveillance and inspection of the Agency. Iran also signed in 1974 the subsidiary Arrangement to facilitate the inspection of Iran's nuclear activities by IAEA Safeguards. These measures demonstrate the transparency of nuclear activities in my country. and ...

Though Iran has signed and ratified all binding international instruments on non-proliferation of nuclear weapons and disarmament, unfortunately, it is still being, either partially or fully, denied its legitimate right under Article 4 of the NPT to make peaceful use of nuclear energy. [2]

In this detailed paper, Mr Aghazadeh outlined the need for, and extent of Iran's nuclear programme. He gave figures to substantiate his thesis that rapid socio-economic development has brought increased demand for energy while the national economy has remained dependent on oil

revenues. This has necessitated the development of "a long-term strategy to reverse the trend of unrestrained use of fossil resources."

Iran has decided to aim for the production of 7,000 megawatts of nuclear electricity by 2020, commencing with 1,000 megawatts output from the Bushehr Light Water Reactors (LWRs) currently under construction with Russian assistance. The Iranian Government plans to diversify nuclear generation with the construction of Heavy Water Reactors (HWRs) and Canadian designed CANDU reactors. Iran is also planning to become self-sufficient in the provision of nuclear fuel, from mining and processing uranium ores and for its conversion and enrichment in the Natanz facility to between 3% and 5% U-235.[3] A Zirconium Production Plant for producing fuel cladding is being constructed at Isfahan. These developments would remove the dependency of Iran on Russia for uranium fuel elements for the Bushehr reactors.

No mention was made in the Vice President's paper of plans for the management of spent fuel, which will contain plutonium, but the head of Iran's Atomic Energy Organisation was quoted earlier as saying: "With the completion of the Isfahan plant, we hope to process the spent fuel and provide fuel for plants inside the country soon."[4]

Despite the concerns raised in Western capitals about the construction and possible use of these facilities, Mr Aghazadeh states quite categorically that, "there has not been and will not be any attempted secrecy in this regard as we are committed not to keep any issues relevant to the provisions of the NPT secret from the international sight."

With regard to demands that Iran sign the Additional Protocol with the IAEA, Mr Aghazadeh said that his county "has no difficulty accepting this protocol and, as a matter of fact, it is approaching it positively" but "it doesn't intend to ratify and enforce the provisions of this protocol without any conditions".

In his conclusion, Mr Aghazadeh restated that, "peacefulness, transparency and independence constitutes the main pillar of our nuclear policy" and quoted President Khatami:

Our might and strength lie in our faith, our logic and the competence of our people. Having been blessed with this might one does not need to develop destructive weapons.

In closing, he said that the "Islamic Republic of Iran has always been insistent on the full application of the provisions of the NPT to all IAEA member states and has remained critical of those member states which have failed to accede to this important treaty."

#### International Concerns

#### Part I: Positions harden at the April 2003 NPT PrepCom

While the Bush Administration made it very clear from the outset of its term of office that it suspected Iran of both supporting international terrorism and building the capability to produce fissile material for nuclear weapons, an undiplomatic exchange at the Geneva NPT Preparatory Committee earlier this year signalled what was to follow. Significantly, both the opening statements from the United States and Iran were presented by more senior representatives of their countries than would normally be the case for such a conference.

On 28 April 2003, Assistant Secretary of State John S. Wolf laid out a very strong treatise on the need for greater compliance to the provisions of international agreements: "Today, each of us must make a choice. The time for business as usual is over. The time for resolute action is here." He went on to say:

Iran provides the most fundamental challenge ever faced by the NPT. ... As recent revelations have made all too clear, Iran has been conducting an alarming, clandestine program to acquire sensitive nuclear capabilities that we believe make sense only as part of a nuclear weapons program.

Accusations were then detailed regarding the extent and suggested intent of Iran's nuclear programme, including uranium enrichment, non-declaration of plant construction and possible support for terrorist acquisition of nuclear materials. John Wolf's statement also contained the less

than veiled threat of, "serious consequences for those who violate their NPT commitments."[5] Having been accused of "denial and deception", Iran's statement the following day was just as accusational, but less direct than the US statement. Deputy Foreign Minister Mr G. Ali Khoshroo detailed the further "militarization of the environment" over the previous two years and the expanded "presence of foreign military forces in some sensitive areas of the world, particularly in the Persian Gulf region." He added:

Today, we are concerned that the predominance of the military element over the international security environment may undermine, if not ruin, the achievements of the 1990's that focused on international standard setting in a multilateral context.

The emergence of a new security doctrine that relies on nuclear weapons as a key element in national security strategy was cited as a "setback" for the NPT and the development and deployment of anti-ballistic missile systems further undermined stability in international relations. The inalienable rights of State parties to pursue the peaceful use of nuclear energy was reiterated forcefully as was the assertion that nuclear weapons would have no place in Iran's defence doctrine as they are, "inhuman, immoral, illegal and against our very principles."[6]

#### **Part II: Iran's Missile Threat**

The Jerusalam Haaratz Daily reported on 4 July that Iran had launched seven or eight test flights of their Shahab-3 missile, with a range of more than 800 miles and that Israel would be discussing this threat with the United States.[7] The Financial Times later reported that Iran had confirmed it had completed its testing of the Shahab-3 missile, begun in 1998, which had a range of 1,300km and can carry a one tonne warhead according to the Iranian Defence Minister.[8] "The timing of Iran's announcement about the Shahab-3 and the size of its payload suggest that the missile is intended to carry a nuclear warhead," Albright and Hinderstein state in a recent Bulletin of the Atomic Scientists article.[9]

# Part III: The September 2003 IAEA Board of Governors Meeting

On 12 September 2003, the International Atomic Energy Agency (IAEA) Board of Governors adopted a resolution tabled by the governments of Australia, Canada and Japan. This important resolution recalls the recent discussions and activities around Iran's developing nuclear power programme and the slow progress in implementing nuclear safeguards agreements. It also reflected the belief held by some member States and analysts that Iran may be planning to divert its nuclear resources and capabilities into a nuclear weapons programme. Crucially, the resolution states that:

It is essential and urgent in order to ensure IAEA verification of non-diversion of nuclear material that Iran remedy all failures identified by the Agency and cooperate fully with the Agency to ensure verification of compliance with Iran's safeguards agreement by taking all necessary actions by the end of October 2003.[10]

#### The view from Tehran

In its statement to the Board, Iran said that the debate had revealed two "distinctly contrasting views". The first view was categorised as an attempt, "to circumvent the IAEA and issue an express ticket to the Security Council." The second was categorised as the prevailing, but not necessarily dominant view, which sought to, "sustain the process and allow the Agency to run its course and discharge its responsibilities withstanding political bullying."[11] Expanding on the first view, the Iranian Ambassador, Ali A. Salehi, accused the IAEA of engaging in political dialogue and being misled by an aggressive US Administration determined to, "reshape the entire Middle East region." The three nations that tabled the resolution, and particularly Canada, were sharply criticised for lack of balance and for effectively fast-tracking the process

to the UN Security Council, encouraged to do so by the United States. The Board was asked in rhetorical fashion, that if the list of required demands were all met, would this be sufficient or would more demands follow? Finally, Ambassador Salehi rejected the resolution and left the room in protest.

## The view from Washington

Four days earlier, the US Administration indicated in its statement that two months of intensive IAEA work made plain that, "the unanswered questions have grown in both number and significance."[12] More specifically, the US Ambassador accused Iran of working in secret, stalling and attempting to cover up its activities. Particular attention was focused on the lack of candour on Iran's uranium enrichment programme. With regard to cooperation with the IAEA, Ambassador Kenneth C. Brill said: "Forced admissions and grudging grants of delayed access are more accurately described as damage control than as genuine cooperation."

He rejected the Iranian claim that the US Government was seeking to "politicise" the IAEA process, and insisted that it was seeking to ensure that the IAEA "meets its responsibilities". In conclusion, Ambassador Brill said that it was no secret, "that the United States believes the facts already established would fully justify an immediate finding on non-compliance by Iran with its safeguards violations."

#### The view from Brussels

In its statement on the same day, the European Union, said:

... Iran has recently demonstrated an increased degree of co-operation, there are questions which remain largely unresolved and that add further reason for concern, from a non-proliferation point of view. [13]

Having listed these reasons for concern, the EU statement went on to urge Iran:

... to provide continued and accelerated co-operation and full transparency on all aspects of its nuclear programme. This full co-operation is essential and urgent in order to allow the Director General to be in a position to provide to the Board of Governors, by mid November if not before, the assurances that all member States and the International Community clearly require.

## The view from the Non-Aligned Movement

Seemingly in response to the statements of the United States and the European Union, the Non-Aligned Movement (NAM) issued a statement on 12 September suggesting that the proposed intrusive inspections and verification measures referred to in the resolution would go "beyond the spirit of the NPT and the policy of the Agency" including the "Additional Protocol provisions which does not call for 'unrestricted access' as is called for in the Resolution."[14] The NAM statement also suggested that the Agency's hands were being tied by the imposition of the 31 October deadline for full Iranian disclosure of its programme.

#### Part IV: A Final EU Effort

During October 2003, the European Union intensified its efforts to encourage Iran to be more cooperative with the IAEA. Having supported the more aggressive US lead in recent months, the EU seemed to revert to 'conditional dialogue' that essentially held out the prospect of trade agreements, including access to nuclear technology, in return for greater openness and accountability from Iran.

Dialogue and assistance with economic development appeared to be having more effect, when Mr Hassan Rowhani, the Secretary of Iran's Supreme Council of National Security assured IAEA Director General Dr ElBaradei that Iran had decided to sign the Additional Protocol and would, "co-operate fully and provide clarification on all outstanding questions in the next few days and weeks." [15] In a BBC interview, Dr ElBaradei later confirmed that an EU delegation would discuss

the assurance of supply of uranium fuel, and its return to the contracting utility once used, with Iran the following week.[16]

British Foreign Minister Jack Straw, French Foreign Minister Dominique de Villepin and German Foreign Minister Joschka Fischer held discussions with Iranian Foreign Minister Kamal Kharrazi, Mr Rowhani and President Mohammed Khatami on 21 October. "We are ready for total transparency because we are not pursuing an illegal programme," Mr Kharrazi said, while Mr Straw, on his fifth trip to Tehran in two years added:

We all respect the rights of any sovereign nation to have a civil nuclear programme but at the same time not to be involved in any proliferation activities.[17]

And after the meeting with Mr Rowhani he added:

We never seek to harm Iran's dignity and independence and would like to welcome Iran's accession to the group of countries signing [the] additional protocol to the NPT.[18]

Mr Rowhani said that Iran would sign the additional protocol of the NPT before 20 November but not before the IAEA deadline of 31 October for full disclosure of its nuclear programme. In response to a question about uranium enrichment, he said that it would be suspended as long as Tehran deems necessary and it would be resumed at any time, for any reason.[19] Point 2 of the declaration agreed by the Iranian Government and EU Foreign Ministers stated:

The Iranian authorities reaffirmed that nuclear weapons have no place in Iran's defence doctrine and that its nuclear programme and activities have been exclusively in the peace domain. They reiterated Iran's commitment to the nuclear non-proliferation regime... [20]

#### **Conclusions**

Dr ElBaradei was encouraged by Iran's declaration of cooperation and expressed the hope that it would open the way for a comprehensive settlement through verification and political dialogue. He said that the IAEA would like to have a continuous process of inspections of facilities in Iran, and elsewhere in other member states, to provide confidence that States parties to the nuclear Non-Proliferation Treaty are abiding by their treaty commitments.

At this stage it looks as if the EU initiative has been successful, in that the Iranian Government has made it abundantly clear that it does not have nuclear weapon ambitions and that it does intend to remain a signatory to the NPT. These developments are a step in the right direction. The US, EU and Russia now need to offer Iran further incentives to remain on this course of action (lift US sanctions, offer more technical help and agree to completion of the Bushehr reactors).

However, all of the agreements outlined in Iran's declaration could be reversed. There will always be a risk, even if Natanz is fully inspected and under safeguards, that a completed facility could be switched to HEU weapons production within days. Moreover, Iran can legally withdraw from the NPT at three months notice, as did the Democratic People's Republic of Korea (DPRK). As Iran has proved itself capable of building such a facility there is also a risk that even if it ceases work on Natanz, it could again build another gas centrifuge plant in secret. Iran may also, at some stage, have the capacity to produce and extract fissile plutonium and divert that to a clandestine nuclear weapons programme.

The same accusation could be put to all States parties to the NPT with civil nuclear programmes. The key is to create an international political and security environment in which it is universally agreed that nuclear weapons have no role to play.

The question of whether it is appropriate for Iran to be developing such an extensive nuclear power programme without any detailed explanation of how it intends to deal with the long-term problems of spent fuel and nuclear waste management also needs further investigation. This would necessitate an exploration of the 'inalienable right' to the peaceful use of nuclear technology as detailed in Article IV of the NPT and the IAEA's dual, some would say contradictory, role of both promoting the spread of nuclear power and policing the regime aimed at preventing diversion to weapons programmes.

This approach also leaves untouched the question of how to deal with states that have either never joined the NPT or that have decided to exercise their notice of withdrawal from its provisions and rapidly move to developing a weapons programme (India, Pakistan, Israel, the DPRK). Understandably, angry questions are constantly raised about why so much attention is focused on some states and not others. The NPT is weakened, if not seriously undermined, by those states remaining outside the NPT, some defiantly so.

The goal of a Nuclear Weapons Free Zone in the Middle East is both laudable and in need of serious diplomatic and political attention. The 'declared' nuclear weapon states also need to look to their own treaty obligations and remind themselves that nuclear proliferation is a two dimensional concept, encompassing vertical as well as horizontal proliferation. Verified compliance is the key to moving forward, but compliance must be applied to all aspects of proliferation.[21]

#### **Endnotes**

[1] For further reading see: 'US Foreign Policy: From Baghdad to Tehran' by Lynne O'Sullivan and Ian Davis, 16 June 2003. (http://www.basicint.org/pubs/Notes/2003IranNukes.htm) and 'Pressure for enhanced IAEA inspections grows: 'Update on Response to Iran's Nuclear Programme' by Lynne O'Sullivan, 19 June 2003 (http://www.basicint.org/pubs/Notes/2003IranNukesUpdate.htm). [2]'Iran's Nuclear Policy (Peaceful, transparent, Independent)' by H.E. Reza Aghazadeh, Vice President of the Islamic Republic of Iran, 6 May 2003, IAEA HQ, Vienna. [3]This would be sufficient for burning in reactors for power production. Elsewhere Iran has

suggested that it would like to go to 20% enrichment (potentially bomb usable). Experts say it would not be difficult to continue up to over 90% enrichment, which is bomb grade fissile material. [4]Gholamreza Aghazadeh quoted in the Associated Press, 10 February 2003, cited in 'Iran: Tehran Acknowledges Nuclear Plans' (http://www.nti.org/d\_newswire/issues/2003/2/10/4s.html). [5]Statement by Assistant Secretary of State John S. Wolf. Representative of the United States of America to the Second Session of the Preparatory Committee for the 2005 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, April 28, 2003.

[6]Statement by H.E. Mr. G. Ali Khoshroo. Deputy Foreign Minister for Legal and International Affairs of the Islamic Republic of Iran before the Second Session of the Preparatory Committee for the 2005 Review Conference of the States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, 29 April 2003.

[7]'Iran Has Long-Range Missile'. Associated Press, 4 July, 2003.

[8]'Iranian missile test fuels fears'. Financial Times, 7 July 2003.

[9]'Iran, player or rogue?' by David Albright & Corey Hinderstein, Bulletin of the Atomic Scientists, September/October 2003 (http://www.thebulletin.org/issues/2003/so03/so03albright.html).

[10]'Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran', (http://www.iaea.org/worldatom/Documents/Board/2003/gov2003-69.pdf).

[11] Statement by Ambassador Ali A. Salehi, Islamic Republic of Iran, IAEA Board of Governors Meeting, Vienna, Austria, 12 September 2003, (http://www.iaea.org/worldatom/Press/Focus/laealran/bog12092003\_statement-iran.pdf).

[12]Statement by Ambassador Kenneth C. Brill, United States of America, IAEA Board of Governors Meeting, Vienna, Austria, 8 September 2003, (http://www.iaea.org/worldatom/Press/Focus/laealran/bog092003\_statement-usa.pdf).

[13] Statement by European Union, IAEA Board of Governors Meeting, Vienna, Austria, 8 September 2003, (http://www.iaea.org/worldatom/Press/Focus/laealran/bog092003\_statement-eu.pdf)

[14] Statement by Non-Aligned Movement (NAM), IAEA Board of Governors Meeting, Vienna, 12 September 2003, (http://www.iaea.org/worldatom/Press/Focus/laealran/bog12092003\_statement-nam.pdf).

- [15]'Iran pressed to comply with nuclear watchdog', Financial Times, 16 October, 2003.
- [16]'Nuclear watchdog reports progress after talks with Iran', Guardian, 17 October 2003.
- [17]'EU ministers begin talks in Iran', Financial Times, 21 October 2003.
- [18] Islamic Republic News Agency (IRNA), 21 October, 2003.
- [19]Islamic Republic News Agency (IRNA), 21 October, 2003.
- [20]Full Text: Iran declaration, BBC News Online, 21 October 2003 (http://news.bbc.co.uk/1/hi/world/middle\_east/3211036.stm).
- [21]'NPT in Crisis? Verified Compliance is the key to moving forward', by Nigel Chamberlain and Kathryn Crandall, BASIC Briefing, April 2003, (http://www.basicint.org/pubs/nptpc03.pdf).