Iran and the Centrality of the IAEA

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Abstract

Iran has repeatedly insisted it has an “inalienable right” to develop an indigenous nuclear capability for peaceful purposes and has given assurances that it will not develop nuclear weapons. However, these assurances have failed to convince the EU-3 and the US, who point out its recent history of concealment.

This article examines the ongoing negotiations between the EU-3 and Iran and argues that, since Iran has the right to develop an indigenous fuel-cycle capability, the EU-3 should ensure it speedily ratifies the Additional Protocol and cooperates fully with the IAEA verification mechanism.

The US’s adversarial rhetoric, while aimed at dissuading Iran from developing nuclear weapons, may be counterproductive, and could convince Iranian officials of the need to develop such weapons to deter US hostility. It is argued that the US should not treat Iran as solely a security concern, but engage with the country, taking into account Iran’s concerns and role in the region.

The article concludes by underscoring the centrality of the IAEA in verifying that Iran is observing its NPT obligations and reassuring the international community of Iran’s compliance. To this end, States Parties should exercise care in not undermining the Agency, as such behaviour could cause divisions.

Given that the international community is working towards the same goal of fighting proliferation, these divisions only serve to weaken its work.

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Introduction

In February 2005, Iran rejected an EU-3 offer that would have limited its nuclear capabilities, to replace its heavy-water nuclear reactor with a light-water reactor.

This offer was made as part of the negotiations between the EU-3 and Iran, which resumed in November 2004 after Iran agreed to temporarily suspend its uranium enrichment and reprocessing programme. The EU-3 favour an indefinite suspension of enrichment activities, pending the negotiation of a long-term agreement whose final objective would be Iran’s renunciation of an indigenous fuel-cycle capability. On account of the dual-use nature of such a capability, a peaceful nuclear energy facility could be converted to the production of nuclear weapons.

On 29 November 2004, the IAEA Board of Governors adopted a resolution welcoming “the fact that Iran has decided to continue and extend its suspension of all enrichment related and reprocessing activities”. The resolution, contrary to the US’s insistence, did not contain the threat of referring Iran to the Security Council.

Concerns

The EU-3 want Iran to give up its plans to develop an indigenous fuel-cycle capability for fear that this capability would be diverted to the production of nuclear weapons. This fear is founded, in that Iran has flouted its international obligations in the recent past. It carried out undeclared enrichment and reprocessing experiments and secretly acquired 1800kg of natural uranium in the early nineties. In August 2002, details were released of two undeclared

1 France, Great Britain and Germany.
nuclear facilities; a heavy-water nuclear reactor in Arak, and an underground uranium enrichment facility, still under construction, in Natanz\(^1\).

The IAEA Board of Governors resolution reaffirmed the Agency’s “strong concern that Iran’s policy of concealment up to October 2003 has resulted in many breaches of Iran’s obligations to comply with its NPT Safeguards Agreement”\(^2\).

On its part, Iran, insists that it wants to develop nuclear energy for peaceful purposes, in full conformity with its “inalienable right” under Article IV of the Nuclear NonProliferation Treaty (NPT), to “develop research, production and use of nuclear energy for peaceful purposes without discrimination…”. Iran’s argument rests largely on the NPT’s inherent contradiction of seeking simultaneously to promote the peaceful use of nuclear energy and prevent proliferation\(^3\). Iran anticipates an energy shortage in the future and, to counter this, wants to become “an important and a major player in the nuclear fuel supply market in the next 15 years”\(^4\).

**Motivations**

Iranian officials have repeatedly reiterated that their nuclear programme is for peaceful purposes and that Iran has no ambitions to develop nuclear weapons. Iranian President Mohammad Khatami guaranteed that Iran “will not produce nuclear weapons because we’re against them and do not believe they are a source of power”\(^5\).

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2. IAEA Board of Governors resolution GOV/2004/90, op cit, para. 4.
4. BBC, Iran spurns European nuclear deal, op cit. The US however believes that nuclear energy is not necessary in a country with Iran’s large oil supply. It fears that the deal is being used as a cover for the transfer of more sensitive nuclear technology to Iran and to provide training for Iranian nuclear specialists that could be used to support a nuclear weapons program. See WMD411, Iran, Center for Nonproliferation Studies, Monterey Institute for International Studies, 28 July 2003, http://www.nti.org/f_wmd411/f2e1.html
However, it has been argued that “the assurances of Khatami...that Iran would refrain from building nuclear weapons carry little if any credibility”. In view of Iran’s past transgressions and the motivations below, Iran’s guarantees provide little reassurance to the West.

Iran may have both short and long term motivations for developing a nuclear weapon capability.

In the short term, it is facing increasingly hostile rhetoric from the US and Israel, both of which are nuclear states. Neither the US nor Israel have ruled out a pre-emptive attack on Iran’s nuclear sites. The US House of Representatives passed Resolution 398, calling on the US government “to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons”. During a visit to the United States, Israel’s Defense Minister Shaul Mofaz warned that Israel is prepared to take unilateral military action against Iran if it develops nuclear weapons. Six weeks earlier, Mossad had revealed plans for pre-emptive attacks on Iranian nuclear sites.

Besides these immediate security concerns, Iran may have long-term motivations for achieving a nuclear weapon capability. It could perceive itself as suffering from a security imbalance, given that it lives in a nuclearised neighbourhood.

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2 Though Israel has never declared its nuclear weapons, the IAEA operates under the assumption that it possesses nuclear weapons. See BBC, Israel’s nuclear programme, 22 December 2003, http://news.bbc.co.uk/2/hi/middle_east/3340639.stm
3 108th Congress, 2nd Session, H.CON.RES.398, Concurrent Resolution, 6 May 2004. The US President George Bush has refused to rule out military action to prevent Iran from developing nuclear weapons - though he has also emphasised the role of diplomacy. See BBC, Iran spurns European nuclear deal, op cit.
4 Dunn, R., Israel threatens strikes on Iranian nuclear targets, The Scotsman, 23 November 2003, http://news.scotsman.com/international.cfm?id=1292472003
6 Bearing in mind that, already in 1985, it had begun work on a secret gas centrifuge enrichment program.
7 IAEA, Director General Interview, World Economic Forum, extracted from an interview with the Washington Post on 30 January 2005,
Its desire to acquire a nuclear weapon could be motivated by a profound sense that a nuclear weapons capability is necessary to reinforce what Iran sees as its natural dominance in the region\(^1\).

**Approaches**

The EU-3 and the US have adopted very different approaches to this issue.

**The EU-3**

The EU-3 have chosen diplomacy, offering “carrots” in exchange for a commitment from Iran to renounce plans to develop an indigenous fuel-cycle capability. These carrots include providing political assurances of access to nuclear fuel, management of spent fuel and economic and technological aid.

However, Iran was reported to be “disappointed” with what has been offered so far\(^2\). Its rejection of one of the major incentives on the table, the offer of a light-water research reactor as described in the introduction, does not bode well for the negotiations\(^3\).

Iran has repeatedly insisted that it has a legitimate right to secure its own source of nuclear fuel for power stations, rather than being dependent on outside sources, and even the lifting of US sanctions or security guarantees from the US would not be enough to convince it to abandon its fuel-cycle programme\(^4\).

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\(^1\) Samore, G., Meeting Iran’s Nuclear Challenge, p14.
\(^3\) Moreover, Russia is assisting Iran to build a nuclear reactor in Bushehr and has offered to supply nuclear fuel on condition that Iran returns the spent fuel to Russia. In February 2005, Iran signalled its acceptance of this condition and Russia agreed to supply the fuel as soon as the Bushehr plant is completed. Russian President Vladimir Putin held that he was convinced Iran was not trying to build a nuclear weapon. The timing of Iran’s acceptance, amid the EU-3 negotiations, could be seen as casting a shadow on them.
\(^4\) ibid.
It seems clear therefore, that for the EU-3 to be successful in convincing Iran to renounce its indigenous fuel-cycle programme, they will have to offer juicier carrots. And the EU may not have such carrots in its garden. It has been argued that the Union has been “talked up” in terms of resources and the instruments at its disposal. The demands made on it exceed the capabilities it possesses, giving rise to a capabilities-expectations gap.

This gap is dangerous, especially since the EU-3 have voluntarily taken up the role of lead negotiators in this issue, while the US, though supporting the negotiations, has been far more sceptical of their outcome. A failure of the negotiations would reflect negatively on the effectiveness of the EU as an international actor.

The fact is, as a party to the NPT, Iran has an “inalienable right” to develop research, production and use of nuclear energy for peaceful purposes without discrimination. All States Parties to the Treaty have the right to participate in the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy.

It is true that in view of Iran’s questionable history, the EU-3 are apprehensive that it might divert its nuclear programme to non-peaceful purposes. However, while this history of concealment is noted with concern in the IAEA Board of Governors resolution, the corrective measures subsequently taken by Iran are also acknowledged.

The IAEA is the instrument with which to verify that the “peaceful use” commitments made under the NPT or similar agreements are kept through performing what is known as its “safeguards” role. If a State Party suspects

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3 Article IV of the NPT.


that another Party has infringed the Treaty, though it cannot demand a challenge inspection under the NPT, it can supply information to the IAEA and encourage that organization to request an inspection at the location where the infringement is suspected\(^1\).

Otherwise, all States Parties have the “inalienable right” to a peaceful nuclear programme, including developing an indigenous fuel-cycle capability. Requesting a State Party to renounce this right runs counter to the spirit of non-discrimination contained in the Treaty.

In the current round of negotiations, the EU-3 should therefore ensure Iran speedily ratifies the Additional Protocol and cooperates fully with the IAEA verification mechanism, at least as much as they prioritise Iran’s renunciation of its nuclear fuel-cycle capability.

Iran signed an IAEA Additional Protocol on 18 December 2003, but has not ratified it yet, though Iranian officials pledged to apply the Protocol pending its entry into force\(^2\). Under the Additional Protocol, a State is required to provide the IAEA with broader information covering all aspects of its nuclear fuel cycle-related activities, including research and development and uranium mining. States must also grant the Agency broader and more intrusive access rights and enable it to use the most advanced verification technologies\(^3\).

With wider access, broader information and better use of technology, the Agency’s capability to detect and deter undeclared nuclear material or activities is significantly improved\(^4\). If Iran’s assurances that it has no intention to develop a nuclear weapon are sincere, it should have no problem with

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\(^1\) WMD411, Iran - Option 2: Work within the Current Nonproliferation Regime, Center for Nonproliferation Studies, Monterey Institute for International Studies, 28 July 2003, [http://www.nti.org/f_wmd411/f2e1_2.html](http://www.nti.org/f_wmd411/f2e1_2.html)


\(^3\) IAEA, IAEA Safeguards: Stemming the Spread of Nuclear Weapons, op cit, p3.

\(^4\) Ibid.
ratifying the Additional Protocol and allowing more intrusive inspections on both declared and undeclared nuclear-related facilities in its territory.

Finally, it should be noted, that having chosen the path of diplomacy, the EU has not threatened a military attack on Iran. The EU High Representative, Javier Solana has stated that such an attack would be “a mistake”¹, the UK Foreign Secretary, Jack Straw said it is "inconceivable"², and the German Chancellor, Gerhard Schroeder held that his country could not support such an action³.

The US

The US, on the other hand, has chosen the route of confrontation, threatening Iran with the “stick” and sending, in the words of the US President George Bush, a “very clear message… Don’t develop a nuclear weapon”⁴.

As noted above, while supporting the EU-3 negotiations, the US has been at the forefront of moves to refer Iran to the UN Security Council⁵ and has refused to rule out military action to prevent Iran from developing nuclear weapons⁶.

Such an approach, while aimed at dissuading Iran from developing nuclear weapons, could have counterproductive effects and convince Iranian officials of the need to develop such weapons in order to deter US hostility.

For many Iranian decision-makers, the Iraq war suggests that a strong, credible deterrent is the best shield against US aggression⁷. It is not clear

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¹ BBC, Solana warns against Iran strike, 6 February 2005, http://news.bbc.co.uk/1/hi/world/europe/4240281.stm
³ CNN, Iran says it won't give up nuclear technology, op cit.
⁴ CNN, Iran says it won't give up nuclear technology, op cit.
⁶ BBC, Iran spurns European nuclear deal, op cit.
⁷ El-Hokayem, E., A Showdown on Iran's Nuclear Program, op cit, p2.
what impact the fall of Saddam Hussein will have on Iranian nuclear policy. On the one hand, the change of government in Iraq may reassure Iran and reduce its motivations for acquiring nuclear weapons. On the other, Iran may consider that only by acquiring nuclear weapons will it be able to prevent a future US invasion of the kind Iraq experienced\(^1\).

The application of power projection by the US may be required, but if employed unwisely, it generates more threats than it foils. The use of force is not widely applicable to proliferation threats, and the pursuit of unfettered dominance corrodes rather than builds international cooperation\(^2\).

While the US has chosen to keep up its aggressive rhetoric against Iran, other States have adopted a more cautious approach. These differences and lack of coordination are bound to hamper international cooperation on the issue. Moreover, a productive dialogue between the US and Iran seems, at this stage, unlikely, with the US threatening Iran that the "the next steps are in the offing,"\(^3\) and Iran warning the US “not to play with fire”\(^4\).

US military strength is not the problem - it’s part of the solution. The problem lies in the limitations of US power projection capabilities in persuading sovereign States to alter their domestic policies. If US military power is used wisely, in conjunction with the other tools of American leadership, it can save lives, forge new partnerships, maintain old friendships, and help safeguard national, regional, and international security\(^5\).

If, on the other hand, it is used indiscriminately and not as a last resort, it could serve to embitter relations and strengthen a State’s resolve to defy the US as a matter of national pride.

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\(^1\) WMD411, Iran, op cit.
\(^3\) CNN, Iran says it won’t give up nuclear technology, op cit.
\(^4\) BBC, Iran spurns European nuclear deal, op cit.
In fact, Iran’s nuclear programme is perhaps the only issue that all sides of the Iranian political spectrum agree on, and indeed it has become a point of national pride\(^1\). US hostility has, in this sense, been counterproductive. With Russia expressly backing the Iranian nuclear programme and China opposing referral to the Council, Iran knows it can continue to defy the US, in spite of threats to refer it to the Security Council\(^2\).

Iran however, has to reckon with the looming threat of a military attack by the US or Israel, both of which are nuclear powers, and in this sense, may have a greater incentive to rapidly develop a nuclear weapon capability\(^3\). The Secretary-General of Iran's Supreme National Security Council held that: "If such an attack takes place then of course we will retaliate and we will definitely accelerate our activities to complete our fuel cycle and make nuclear fuel"\(^4\).

The main lesson to be drawn by others from the failure of Nuclear Weapons States (NWS) to disarm is that the NWS are convinced that the possession of nuclear weapons is the final and decisive guarantee of their own national security. This position will continue, as it has in the past, to motivate others to seek a nuclear weapons capability\(^5\).

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\(^1\) CNN, Iran says it won’t give up nuclear technology, op cit.
\(^2\) See BBC, Russia backs Iran in nuclear row, op cit., and BBC, US keeps nuclear pressure on Iran, 29 November 2004, http://news.bbc.co.uk/1/hi/world/middle_east/4052307.stm
\(^3\) In this respect, a number of States, including Pakistan and the New Agenda Coalition, have argued in favour of legally-binding Negative Security Assurances (NSA), which guarantee the non-use and non-threat of use of nuclear weapons against Non-Nuclear Weapons States (NNWS). Such assurances undoubtedly curb potential proliferators by eclipsing the “self-defence” justification for nuclear weapons development. If NNWS were guaranteed that nuclear weapons will never be used against them, the only States that do risk a nuclear attack on their soil are the ones which themselves possess these weapons. In this way, NSAs provide an incentive for nonproliferation by NNWS. It has so far not been possible, however, to negotiate such legally-binding assurances because, inter alia, some Nuclear-Weapons States (NWS) still entertain the notion that nuclear weapons may be used pre-emptively against NNWS, or deem them as a possible defence against conventional weapons. See UN First Committee discussions on “Negative Security Assurances”, 59\(^{th}\) Session, October-November 2004, reported in The First Committee Monitor, Final Edition, November 1-5, 2004, www.reachingcriticalwill.org, p10.
\(^4\) BBC, Iran ‘to retaliate if US attacks’, op cit.
\(^5\) Dean, J., Reviving the Non-Proliferation Regime, WMD Commission Paper No. 4, www.wmdcommission.org
Nuclear disarmament and nuclear nonproliferation are mutually reinforcing processes. Without nuclear disarmament there is the risk of a new nuclear arms race\(^1\), as Non-Nuclear Weapons States (NNWS) may be drawn to acquiring nuclear weapons for the same reasons that the NWS still hold onto theirs. The credibility of the NPT regime is undermined if a dominant country seeks to control others while keeping all options open for its own military and commercial interest groups\(^2\).

If the NWS continued to treat nuclear weapons as a security enhancer, there is the real danger that other States will start pondering whether nuclear weapons would not be a security enhancer also for them\(^3\). The ultimate and most effective manner in which to counter nuclear proliferation is therefore, through the irreversible, transparent and verifiable disarmament of global nuclear arsenals.

Iran has repeatedly insisted that it had no ambition to develop nuclear weapons. It anticipates an energy shortage in the future and thus wants to become “an important and a major player in the nuclear fuel supply market in the next 15 years”\(^4\). Iran has argued that it cannot rely on outside assurances of fuel supply, which could be interrupted by outside political pressure, such as US interference\(^5\).

By failing to take into account these motivations, and treating the Iran issue as solely a security concern, the US is avoiding the difficult task of defining a comprehensive and consistent policy toward Iran\(^6\).

The US should preferably shift its strategy from one of confrontation to one of engagement. This was the sentiment expressed by the IAEA Secretary-

\(^1\) Sweden’s Statement on behalf of the New Agenda Coalition at the UN First Committee on 4 October 2004, reported in the Monitor, No. 1, October 4-8 2004, www.reachingcriticalwill.org, p.15-17.
\(^2\) Johnson, R., Is the NPT up to the challenge of proliferation?, op cit, p2.
\(^3\) Ibid.
\(^4\) BBC, Iran spurns European nuclear deal, op cit.
\(^5\) Samore, G., Meeting Iran’s Nuclear Challenge, op. cit., p10.
\(^6\) El-Hokayem, E., A Showdown on Iran’s Nuclear Program, op cit.
General when he stated: “I’d like to see the Americans join a dialogue either with the Europeans or directly with the Iranians. I don’t think you will get a permanent solution of the Iranian issue without full US engagement”\(^1\).

Should the US keep up its adversarial rhetoric, while ignoring the motivations behind Iran’s policies and not offering the least hope for dialogue, there exists the very real possibility of a disheartened Iran withdrawing from the NPT, following in the steps of North Korea.

**Conclusion**

In the light of reports that the US had been sending unmanned drones over Iran since April 2004 trying to gather evidence of any weapons programme\(^2\) and with the Iraqi conflict fresh in mind, questions as to the quality of such intelligence and the wisdom of a coercive approach towards Iran are bound to cause disagreements within the international community\(^3\).

Though the Security Council should continue to be the ultimate authority for judgement and action to preserve international security, it should not be drawn into micromanagement of proliferation questions\(^4\).

The centrality of the IAEA must be underscored. This Agency should take the lead role in verifying that Iran is observing its Treaty obligations by carrying out intrusive onsite inspections and monitoring, and reassuring the international community of Iran’s compliance. It is only if the IAEA is systematically disrupted in its work or suspects an infringement that the Security Council should be resorted to.

Speaking to reporters at the 2005 World Economic Forum, the IAEA Director-General Mohamed ElBaradei stated that "Over the last 15 months, we have made good strides in understanding the nature and scope of [Iran’s]..." \(^1\) IAEA, Director General Interview, op. cit.

\(^2\) BBC, Iran spurns European nuclear deal, op cit.

\(^3\) El-Hokayem, E., A Showdown on Iran's Nuclear Program, op cit.

\(^4\) Johnson, R., Is the NPT up to the challenge of proliferation?, op cit., pp17-18.
In a separate interview, he noted that “Eighteen months ago, Iran was a black box - we didn’t know much about what was happening. Now, we have a fairly good picture of what is happening. We understand how complex and extensive that program is...we are still going everywhere we think we need to go to be sure there are no undeclared activities in Iran”\(^2\).

Onsite inspections are thus proving their effectiveness and both the EU-3 and the US should step up efforts to assist the IAEA in ensuring that Iran cooperates fully with the Agency’s verification regime. This would go a long way towards building confidence that Iran is not infringing its international obligations.

The assistance could take various forms. As was mentioned above, in their negotiations, the EU-3 should prioritise Iran’s speedy ratification of the Additional Protocol and compliance with the IAEA at least as much as they prioritise its renunciation of an indigenous fuel-cycle capability.

If the US has gathered any intelligence on Iran’s alleged nuclear weapon ambitions, it should inform the IAEA for verification. The Agency’s Director-General stated that the organisation had not received any new intelligence from outside sources recently. Relying on its own activities on the ground, the IAEA had not found any recent evidence that Iran has breached its NPT obligations\(^3\).

The international community, including the US, should work hand in hand to assist the IAEA, as the world’s nuclear inspectorate, to carry out its functions under the NPT. This did not seem to be the case when in November 2004, because the IAEA Board of Governors resolution did not coincide with the US’s demands to refer Iran to the Security Council, the US threatened to refer the country unilaterally\(^4\).

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2. IAEA, Director General Interview, op cit.
3. Ibid.
4. BBC, US keeps nuclear pressure on Iran, op cit.
Such behaviour directly undermines the centrality of the IAEA and is bound to cause divisions within the international community, not least because a number of veto-holding countries have already expressed themselves against referring Iran to the Council, and a number of others expressed themselves against a military attack.

Given that the international community is working towards the same goal of fighting proliferation, these divisions only serve to weaken its work.

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