



VERIFYING IRAN'S NUCLEAR PROGRAM: IS THE INTERNATIONAL COMMUNITY UP TO THE TASK?

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Mr. Chairman, Ladies, and Gentlemen,

It is a great honor for me to have been invited today as “Lamont Lecturer” to discuss before this prestigious assembly some pressing issues concerning nuclear non-proliferation, particularly in Iran.

Fourteen years ago, North Korea was found by the International Atomic Energy Agency (IAEA) to be in non-compliance with its safeguards agreement. Nevertheless, the nonproliferation regime was unable to prevent North Korea’s eventual withdrawal from the NPT and, in 2006, its testing of a nuclear device.

Today we face a troublingly similar situation in Iran. More than four years after Iran was reported to be in breach of its safeguards undertakings, the IAEA is still unable to conclude that there are no undeclared nuclear material and activities in the country. Furthermore, Iran has refused to suspend its sensitive nuclear fuel cycle activities as repeatedly requested by the IAEA Board of Governors (BoG) and by legally binding UN Security Council (UNSC) resolutions.

This has raised the concern that the non-proliferation regime and the international community may not be up to the task any more.

Today I would like to highlight some of the most difficult challenges facing the IAEA in Iran, to show why it is crucial for the Agency to maintain all Member States’ confidence in its effectiveness and objectivity, and to suggest what the UNSC should do to strengthen the nonproliferation regime without penalizing states that are in good standing with their safeguards undertakings.

Historical background

First, let me briefly remind you of the background to the current situation in Iran.

In 2003, the IAEA Secretariat informed the BoG that Iran had for almost two decades concealed nuclear material and a considerable number of nuclear activities, and was therefore in breach of its Safeguards Agreement. In fear of being reported to the UNSC, Iran, in October 2003, committed (GOV/2003/81)

- *“to provide a full picture of its nuclear activities, with a view of removing any ambiguities and doubts about the exclusively peaceful character of these activities” and “to provide, in full transparency, any additional clarifications that the Agency may deem necessary”.* (§15)
- *“to sign the Additional Protocol, and [...], pending its entry into force, [...to] act in accordance with the provisions of that Protocol”* (§18).
- *“to suspend... all enrichment related and reprocessing activities in Iran, and specifically [...] not to produce feed material for enrichment processes...”*(§19).

Shortly before that, in February 2003, Iran agreed (as requested by the BoG in 1992), to henceforth provide early design information on new facilities and on modifications to existing facilities.

Since then the Agency has reported a number of disturbing new findings reinforcing the general concern that Iran's nuclear program may not be exclusively for peaceful purposes. Also, contrary to its 2003 commitments, today Iran is producing UF₆, is enriching uranium, is not implementing the Additional Protocol (AP) and has unilaterally cancelled its agreement to provide early design information.

It has also ignored the offer made in June 2006 by the P5+1 (i.e. China, France, Russia, the UK, the USA plus Germany) "*to develop relations and cooperation with Iran, based on mutual respect*" (attached in Annex II of UNSC Resolution 1747).

The August 2007 IAEA "work plan"

Faced with so many steps backward, the IAEA Secretariat was confronted this past August, while negotiating a "work plan" with Iran, with the following dilemma: either accept Iran's request (in addition to other limitations) to resolve outstanding issues one by one (i.e. in sequence and not in parallel) thereby significantly delaying the process, or face Iran's refusal to discuss anything related to past activities.

The Secretariat has opted for the first alternative. The result remains to be seen: much will now depend on how the Secretariat will next report to the BoG¹ on its findings and whether it has met the work plan's target date of closing the issue of Iran's centrifuge enrichment program by November 2007.

The problem is that Iran has no incentive to admit possible additional failures to inform the Agency of its past and present activities. Quite the contrary: Iran would certainly expect that if the Secretariat reports that it has now found new incriminating evidence, this will be used to obtain further and more substantial sanctions by the UNSC.

Therefore the August 2007 "work plan" should have been coupled with a commitment by the IAEA BoG or by the P5+1 to welcome, as a constructive confidence building measure, the disclosure by Iran of any nuclear material or activity not previously declared to the Agency (and not to use it against Iran), provided the said disclosure takes place within the next 2 months².

¹ which will meet on 22 November 2007

² Similarly, at the June 2007 Carnegie International Nonproliferation Conference, it was suggested that "*the UNSC should declare that an Iranian admission of past or present military nuclear activities will not prompt new reprisals*".
<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19504&prog=zgp&proj=znpp>

Instead, the “work plan” refers to a limited number of remaining issues regarding Iran’s past nuclear program and states that “*after the implementation of the above work plan and the agreed modalities for resolving the outstanding issues, the implementation of Safeguards in Iran will be conducted in a routine manner.*”

This has raised additional concerns because the objective of the IAEA is not only to resolve some specific technical questions, but to conclude that there are no undeclared nuclear material and activities in Iran and that its declarations to the IAEA are correct and complete. Only then can the IAEA consider implementing Comprehensive Safeguards Agreement (CSA) and AP verification activities in Iran in a routine manner.

In the present circumstances, it should be expected that Iran will provide some answers to the numerous questions addressed by the IAEA Secretariat in September 2007. If the answers to some of these questions are **plausible** but **not conclusive** and **not verifiable**, how would the Secretariat judge that the issue can be closed? How well will IAEA Member States be informed of the exact situation?

The IAEA cannot avoid addressing the fact that many aspects of Iran’s past nuclear program and behavior make more sense if this program was set up for military rather than civilian purposes.

In addition to these factual elements, there are a number of political and strategic reasons to believe that Iran’s nuclear program, initiated around 1985, was at least in part for military purposes. At the time Iran was in the middle of its war against Iraq which it knew to have a nuclear weapons program. Iran also knew that its other neighbor, Pakistan, was actively working on nuclear weapons.

In today’s environment, and considering the US military presence in Iraq, Afghanistan and the Gulf, Iran may have renewed motives to seek the capability of manufacturing nuclear weapons if and when it so decides, both for security and political reasons. Therefore, the only way for Iran to convince the world that it is not seeking this capability is to fully comply with UNSC resolutions and engage in good faith negotiations with the P5+1.

It has so far shown no inclination to do so, most likely because it has made a cost-benefit analysis of the situation and concluded that time is on its side and that thanks to the opposition of Russia and China towards severe sanctions from the UNSC, it will reach its objective at a reasonably low cost. Some in Iran may even seek confrontation in order to bolster the position of the current regime and to ensure its perpetuation.

What could possibly make Iran change its mind?

First a key factor may be the growing dissatisfaction of the Iranian people sparked by the rise in unemployment and the fall in the standard of living at a time when oil revenues are higher than ever before. This situation is largely attributable to Iran's defiance of IAEA and UNSC resolutions. The absence of new investments from abroad because of political and economical risks may in the end play a determining role in fueling public protest against the government's intransigence.

The Iranian people are waking up to Ahmadinejad's failure to deliver on his populist agenda and are realizing that his bellicose foreign policy (where the nuclear issue is front and center) is all but a costly distraction. Sooner or later, the Iranian people who legitimately believe that the nuclear program is for generating electricity will realize that no amount of domestically produced low enriched uranium will be a solution to Iran's underdeveloped gas and oil sector.

Second, Iran is a great and proud nation with some 2 million students attending university. It is clearly not enough for Iran to have as friends and allies Hugo Chavez's Venezuela, Bolivia, Cuba, DPRK, Syria or Mugabe's Zimbabwe. Iran needs the support of Russia and China (two veto wielding members of the UNSC) and of some key non-aligned countries such as South Africa, India, Brazil, Indonesia and Malaysia. If the latter countries and the Arab world would distance themselves from Iran, this would likely have an impact on the Iranian leadership.

Third, progressively increased sanctions unanimously adopted by the UNSC can, over time, play a significant role. The Security Council has already adopted two such resolutions under Chapter VII of the UN Charter, which means that it has determined that Iran's nuclear activities represent a threat to international peace and security and that corrective measures need to be taken.

It would seem logical in such circumstances for the UNSC to adopt a resolution imposing the suspension of all military cooperation with Iran as it did in October 2006 for North Korea (UNSC resolution 1718). This would in no way adversely impact the Iranian people but could encourage its leadership to opt for compliance with UNSC resolutions instead of confrontation³.

Here again Russia and China are the key. Their solidarity with the US and the EU will be crucial to save the credibility not only of the non-proliferation regime but also the UN ability to enforce it when states are found to be non-compliant with their NPT and/or safeguards undertakings.

In this regard, we should recall that in Resolution 1747 (24 March 2007), the UNSC made a major conciliatory step in stating that it shall suspend the implementation of sanctions *“if and for so long as Iran suspends all enrichment-related and reprocessing*

³ Some might argue that such an arm embargo would constitute an additional incentive for Iran to seek nuclear weapons as a way of compensating for the potential imbalance of conventional weapons in the region. I believe this is mainly a rhetorical argument.

activities, including research and development, as verified by the IAEA, to allow for negotiations in good faith in order to reach an early and mutually acceptable outcome.”

But above all, it is essential that all Member States maintain their confidence in the effectiveness and objectivity of the IAEA Secretariat and in the validity of its safeguards conclusions. This has been the case so far, but we all know how hard it is to earn such a reputation and how easy it is to lose it.

Confidence implies transparency and not complacency.

The “work plan” agreed upon between the IAEA Secretariat and Iran on 21 August 2007 foresees, among other things, that Iran will provide in writing all answers and clarifications requested by the Agency on Iran’s centrifuge enrichment program in time for the Agency to be able to close the issue by November 2007.

The list of questions provided by the Agency to Iran is so far unknown to Member States. It is therefore of great importance for the Secretariat to report in a most transparent and detailed manner on its findings in November 2007.

Closing technical issues is of course important but the main question remains: does the IAEA Secretariat, considering all information presently available, feel more confident today than four years ago that Iran’s nuclear program has been and still is intended exclusively for peaceful purposes, and that there have been and are no undeclared nuclear material and activities in Iran?

In working with Iran the IAEA Secretariat must avoid any step that could jeopardize its credibility.

It should not introduce factually correct but falsely reassuring and largely irrelevant statements such as⁴:

- *“The Agency is able to verify the non-diversion of **declared** nuclear material in Iran”.* This is obviously also the case in all other NNWS, but fails to remind that some if not most of what was in 2004 “*declared nuclear material in Iran*” had previously been undeclared until its existence was discovered by the Agency; or
- *“Iran has been providing the Agency access to **declared** nuclear material, and has provided the required material accountancy reports in connection with **declared** nuclear material and facilities”* which is absolutely normal in any country but does not mention the fact that timely access to previously undeclared facilities and locations have been denied by Iran in the past, and that the Agency is still unable “*to provide assurances about the absence of undeclared material and activities in Iran or about the exclusively peaceful nature of that programme*”⁵.

⁴ GOV/2007/48-§22, emphasis added

⁵ GOV/2007/8-§29-February 2007

The UN Security Council: lessons learned

Experience in both North Korea and Iran has shown that, when a state has been found by the IAEA to be in non-compliance with its safeguards undertakings, the IAEA needs additional verification authority (extending beyond the formal requirements of CSA and AP) in order to verify in a timely manner that there are no more undeclared nuclear material and activities in the previously non-compliant state.

Also, if a NNWS withdraws from the NPT, its Comprehensive Safeguards Agreement (CSA) terminates⁶ and the Agency cannot implement safeguards anymore even on previously declared nuclear material and facilities.

It is therefore essential to forbid withdrawing states the free use—possibly for military purposes—of material and equipment delivered to them while and because they were a Party to the NPT.

Over the last two years I have advocated that the UNSC should adopt two generic (i.e. not state specific) and legally binding resolutions.

The first and most urgent resolution would be to address the particular threat to international peace and security of a NNWS withdrawing from the NPT **after** having been found, by the IAEA, to be in non-compliance with its safeguards agreements.

In such a case it is of paramount importance for the UNSC to convene immediately to consider what appropriate measures should be taken, and not, as was the case with North Korea, to do so three years after its withdrawal and three months before it tested a nuclear device.

We must by all means avoid a repetition of this unfortunate chain of events, and not wait for Iran's withdrawal from the NPT⁷, (a threat officially uttered on many occasions), without taking any preventive action.

The second suggested generic resolution addresses the case of a state that has been found by the Agency to be deliberately in non-compliance with its safeguards undertakings.

In such a case the non-compliant state would have to suspend all sensitive nuclear fuel cycle activities at least as long as the IAEA has not drawn the conclusion that the state declaration is correct and complete. Also the non-compliant state would have to provide the Agency with the additional verification authority necessary to

⁶ Paragraph 26 of INFCIRC/153 stipulates that “*the Agreement should provide for it to remain in force as long as the State is party to the NPT*”. Some experts have argued that this does not necessarily imply that the Agreement terminates upon withdrawal, even if this is a generally accepted interpretation

⁷ ... or similar actions such as denying or limiting IAEA inspectors access to its territory, facilities, or locations that would impede the effective implementation of IAEA's inspections and verifications.

reach that conclusion without undue delay. Finally no nuclear material would henceforth be delivered to that state without the guarantee that it would remain under IAEA safeguards even if the state withdraws from the NPT.

These suggestions, which I presented in more detail in papers published previously⁸, will inevitably take time to make their way to the UNSC and to get the necessary support of its members.

Today, therefore the focus must be on the latest developments of the nuclear crisis in Iran, and the crucial role that the IAEA must play in this regard.

Conclusion

The Agency, recipient of the 2005 Nobel Peace Prize, has a well deserved reputation of objectivity and sound technical judgment. It cannot let itself be perceived as being manipulated by Iran to help buy time or as providing an unwarranted excessively positive picture of the situation in Iran, thereby raising the suspicion that its objective might be to make it more difficult for the UNSC to adopt any new resolution sanctioning Iran.

After almost five years of unsuccessful efforts by the Agency to “close the Iranian file”, there is no room for complacency, only for undisputable objectivity and clarity in reporting facts and findings in sufficient detail.

In September 2007, the IAEA Director General said to the Board:
“Our job is to give you all the facts that we have in the most transparent way so that whatever we say will not be misused or abused”.

I am confident that the Agency will be up to the task.

⁸ Priority Steps to Strengthen the Nonproliferation Regime”. Carnegie Endowment Policy Outlook – February 2007. http://www.carnegieendowment.org/files/goldschmidt_priority_steps_final.pdf and “Rule of Law, Politics and Nuclear Non-Proliferation”. Ecole Internationale de Droit Nucléaire – Montpellier September 2007 - <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19564&prog=zgp&proj=znpp>