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International Atomic Energy Agency (IAEA)
Simulating a Meeting of the Board of Governors

"Discussion on Iran's Civil Nuclear Program"

Atoms for Peace

The International Atomic Energy Agency (IAEA), the institutional expression of Atoms for Peace, stands at the center, or perhaps more appropriately given the turbulent times in which we live, at the epicenter of the international nuclear proliferation regime, and at the nexus of nuclear energy and nuclear proliferation. The IAEA plays a prominent role in international efforts to prevent the proliferation of nuclear weapons- serving as the world's inspectorate for the application of nuclear safeguards and verification measures covering civilian nuclear programmes. Safeguards activities are probably the most difficult task entrusted to an international organization. Under agreements concluded with states, IAEA inspectors regularly visit nuclear facilities to verify records on the whereabouts of nuclear material, check IAEA- installed instruments and surveillance equipment and confirm inventories of nuclear material. Taken together, these and other safeguard measures provide independent, international verification that governments are abiding by their commitment to peaceful uses of nuclear energy. The aim of the Agency is to ensure that the nuclear material held in a country's nuclear installation is not diverted away from legitimate peaceful uses to military purposes. In this way, IAEA contributes to international security and reinforces efforts to halt the spread of arms and move towards to a world free of nuclear weapons. Apparently, the determination of all the details of a country's nuclear program is a daunting challenge that raises a number of questions; how do you draw assessments from facts? How do you distinguish between technical data and future intentions? Many of the Agency's activities aim at detecting possible undeclared activities, while it is still being concerned with declared activities as well. Furthermore, the IAEA is charged with the responsibility of verifying compliance by states with nonproliferation undertakings and of doing so by the application of comprehensive safeguards as outlined in Information Circular 153 (INFCIRC/153) that was negotiated by IAEA member states upon the entry into force of the Non Proliferation Treaty (NTP). The main objective of the NTP safeguards is deterrence by risk of early detection and it is the obligation of the state to report to the IAEA all nuclear material in peaceful nuclear activity. The expectation is that no undeclared nuclear material should be present on the territory or under the jurisdiction of the state.

Facing emerging challenges

Undoubtedly, there is a significant increase in nuclear power around the globe as a result of shortages of energy and concerns about energy independence and climate change. With this respect, nuclear energy can play an important role for ensuring adequate energy supply. In this end, the number of countries interested in developing nuclear fuel cycle capabilities (sensitive fuel cycle activities, reprocessing and above all enrichment) increases. It is evident that this makes economic sense as well. Moreover, rapid growth in one country's domestic energy demand forces it to consider alternative future energy solutions. In particular, a well-known state which strives for acquiring energy and electricity through nuclear energy is the Islamic Republic of Iran. In spite of holding massive oil and gas reserves, years of under-investment and limited access to technology have limited Iran's oil and gas production capacity, resulted in rapid production declines in many production oil fields. Under these circumstances, Iran has embraced nuclear projects to produce some of its rapidly growing future energy requirements. However, choosing to invest heavily in nuclear technology instead of accelerating the development of their valuable oil and gas resources has led many to be skeptical of Iran's nuclear ambitions. For instance, according to facts, Iran's population has more than doubled, while the oil production is less comparable to the pre-revolutionary level. In addition oil exports have notably decreased. In that sense, if Iran could use nuclear power and other renewable to meet some of its domestic energy needs, it would be able to export more oil and generate more foreign currency revenue. Consequently, an argument can be made that major investments in oil and gas infrastructure is more urgently required, as it brings with it increased foreign earnings compared with investments in nuclear power, which will take decades to have a major impact on Iran's domestic energy requirements.

Iran's case for nuclear power

The nuclear program of Iran dates back to the early 1970s. As a matter of fact, Iran has never been able to fund such a program as well as to obtain the appropriate nuclear technology. There was always the suspicion that Iran had a secret military program parallel to the official civilian "transparent" one that wasn't transparent at all. At the end of 2003, the IAEA received batches of documents regarding the heavily fortified, huge military complex of Lavisan-Shian, in Northern Tehran. Although the precise nature of this information remains unclear, they talked in general terms about the strong possibility that Lavisan was a site where nuclear activity- probably related to uranium enrichment- was being conducted, without its having being declared to the Agency. There is no question, however, that the documents stirred the IAEA to great activity and triggered international interest. Lavisan was a busy place. Alongside its research and manufacturing facilities, it was additionally a center for scientific studies. The nature of its studies implied that

it was involved in aspects of nuclear research and in training young nuclear experts for service of the ministry of defense and the military. In early 2004 more information arrived at IAEA Headquarters, which concerned the installation of one or two "whole body counter" machines at Lavisan. The Department of Safeguards of the Agency showed that such machines have their main application in medical research. Notwithstanding that fact, IAEA official made requests to visit Lavisan in 2004 to verify the information and to confirm their suspicions. The Atomic Energy Organization of Iran (AEIO, an organization established in 1974 with the main tasks to exchange information, to maintain liaison with other international atomic energies and commissions around the world. Moreover it is involved in nuclear projects for truly peaceful projects in medicine, agriculture and energy) took a few weeks to give an answer. Under the agreement to full transparency and cooperation, known as the "Additional Protocol", Iran, as a signatory, has the obligation to allow the Agency to conduct spot checks (Iran signed and ratified the NPT in 1968, opening the way for the planned construction of up to 23 nuclear power plants by the year 2000). In the meantime, the whole Lavisan- Shian military base was wiped off the face of earth. However, following meeting of stormy negotiations, Iran agreed to provide access to this site to the Agency's Inspectors "in the interest of transparency". Unfortunately, there was nothing to be seen at this site. The Inspectors took samples from the area, whereas the lab tests made, showed that there were no traces of nuclear material. In 2006, the Inspectors examined the equipment including the two body counters. Suspicion increased when most of the items searched were "dual-use" equipment, devices that can be used either for a civilian nuclear program or a military one (specifically, the development of nuclear energy is a parallel route to acquiring a military nuclear capability). Analysis of the environmental samples taken from the equipment showed a small amount of highly enriched uranium. It was proven that Iran had not declared the Lavisan facility as nuclear, as it was obliged to do by its agreement with the IAEA. Not until the IAEA managed to find dual-use equipment and traces of enriched uranium did Iran confess that Lavisan was the site of nuclear activity, but this activity, was purely for defensive research. Inevitably, such a sequence of events will arouse suspicion and namely that Iran was engaged in a secret operation to manufacture highly enriched uranium. What's more, IAEA expressed its concern regarding the secret "Green Salt Project" and its aim to mastering what is known as the "fuel cycle". The IAEA continued to investigate Iran's compliance with its safeguards obligations. According to the Director General, Mr. Mohamed El Baradei in early March 2005, several key questions about Iran's past uranium enrichment and plutonium reprocessing activities have yet to be answered, since the Agency has not been able to come to a judgment about explanations provided by Iran. By and large, however, IAEA nuclear experts have made good progress in uncovering the history of Iran's nuclear programme. Although the Agency is not in a position to conclude that there are no undeclared nuclear materials or activities in Iran, it is systematically "cleaning up", on an issue-by-issue basis, the outstanding safeguards compliance concerns.

There is a broad political consensus internationally to reaffirm Iran's right to develop nuclear energy for peaceful purposes in return for Iran not seeking to enrich uranium itself. It is a common belief that negotiation is a valid way forward, how to do it remains in most of the cases a stumbling block. However, the idea of opening a dialogue with Iran is a very positive one. Therefore, the United States of America and the EU-3 (France, Germany and Great Britain) recognized that Iran's legal right to enrich uranium for peaceful purposes under the NTP has been forfeited by the clandestine nuclear enrichment program, unrelated to its nuclear power facilities requirements that came to light in 2002. The EU and Iran began negotiations over the benefits the latter would gain in exchange for "objective guarantees that Iran's nuclear program is exclusively for peaceful purposes". The main objective of the EU-3 was to persuade Iran to abandon the parts of its nuclear programme that are of greatest proliferation concern, particularly its plans to build a uranium enrichment facility and a heavy-water research reactor. These facilities are inherently dual-use in nature. There is a possibility, that additional to the peaceful purposes, these facilities can be used to produce the fissile material, needed for developing nuclear weapons. This particular fact raises the troubling prospect that Iran is putting into place "the key elements for a nuclear weapon capability under the cover of a civil nuclear energy programme". EU negotiators recognized that Iran must receive positive incentives (characteristically, providing Iran international help to support the building of new light water reactors, combined with the economic incentives of joining the World Trade Organization and establishing closer trade agreements with the EU. What's more, the EU3 offered civilian nuclear technology and help with Iran's regional security concerns). Therefore they conducted negotiations on a trade and cooperation agreement between the two parties with the significant requirement that Iran should suspend all its uranium enrichment activities. On that condition, Iran agreed to a time-limited suspension, admitting the need for confidence building in view of "past practices". In addition, IAEA was asked to monitor the suspension.

A Shadow program?

Further aspects for consideration are the unanswered questions regarding Iran's work on uranium enrichment technologies as well as its alleged activities. Additionally, Iran conducted series of experiments

with the purpose of “extracting polonium-210” at Malek Ashtar University of Defense Technology in Esfahan, one of Iran’s important nuclear centers. Such evidence clearly raised unavoidable doubts about its commitment to use nuclear technology and materials exclusively for peaceful purposes, as required under Article II of the NPT. Obviously, Iran violated its commitments to the IAEA and the NPT. Therefore, the Director General of the Agency, Mr. Mohamed El Baradei referred Iran’s nuclear file to the UN Security Council in February 2006. The dispute between the IAEA and Iran over uranium enrichment escalates to UNSC level. Additionally, Iran refused to comply with the UNSC deadline to stop uranium enrichment, in which case, “soft sanctions” were imposed to Iran. The resolution (SC Resolution 1737/2006) was a warning to Iran that it risks retribution unless it acts in accordance with international rules and desires. In particular, the sanctions ban the supply of nuclear-related technology and materials and impose an asset freeze on key individuals and companies. As a consequence Iran has tremendously reduced its cooperation at least concerning the so called “outstanding issues”. These facts contributed to the growing fear that Iran has embarked roads toward its “nuclear destination”. On the other hand, Iran strongly claimed that all enrichment-related and reprocessing activities focus only on research and development as well as on electricity production. Apart from that, Iran insisted that, under the terms of the NPT, it is entitled to research, which results in optimizing the full nuclear cycle (including mining, milling, conversion and enrichment). It sees no reason why it should give up this “inalienable right”, particularly as it wishes to do so in order to produce electricity and become a producer and exporter of nuclear fuel, thereby relieving its domestic demand for oil. Iran also publicly asserted that its program is not meant for the creation of nuclear weapons. In this end, Iran vowed to continue its nuclear work regardless the sanctions, declaring them as illegal. Apart from that, Iran claimed that treatment as totally “unfair”.

The efficacy of sanctions is hotly debated. Some believe that squeezing a nation of needed products and supplies is the best way to get its government to comply with international law. On the other hand, others argue that sanctions are not a useful tool. The main argument is that by isolating a nation with sanctions usually just serves to strengthen, rather than weaken, its leader grip on the country. Indeed, the more a people are isolated and the less exposure they have to outside goods and services, the more reliant become to the regime. It cannot be denied that the most long-lived regimes succeed due to the fact that sanctions and isolation had actually propped them up- by providing those countries leaders with an excuse for their economic failures and a chance to cloak themselves in nationalism. Apparently, sanctions alone do not work and in most of the cases radicalize the regime and hurt people who are not supposed to be hurt. Consequently, sanctions have to be coupled at all time with incentives and a real search for a compromise based both on face saving and on respect. In the specific case of Iran, there is a need to look for ways to get Iran to the negotiating table and in compliance with the concern of the international community that the program is not a peaceful one. As a matter of fact, the whole thing is about “confidence-building”. According to the Agency, Iran has established its basic capabilities for highly advanced technologies. On that account, Iran might have acquired “a little bit more”, perfecting the knowledge, but to aim at denying knowledge to a country is almost impossible. It is obvious that there’s a big difference between acquiring the knowledge for enrichment and developing a nuclear bomb. In fact it is not possible for a country to abstain from research and development. In other words, between the political desire and technological ability there is a vast gap, and Iran does not seem likely to be able to achieve a very strong capability in the short term. As a matter of fact, the nuclear programme is a symbol of Islamic modernity for many Iranians. It is characterized as the vehicle that brings Iran among other developed, scientifically advanced countries. Furthermore, it is perceived as a source of genuine national pride, due to the fact that it is largely the product of an “indigenously-trained cadre” of young nuclear scientists and engineers. In order to prove its peaceful nature, Ayatollah Ali Khamenei (the Supreme Leader of Iran) said characteristically that the building or using nuclear weapons is against Islamic law.

Iran continued diplomatic insistence on its peaceful intentions. On that account it sought to shift international attention from a “probable weapon project” to the more viable and feasible, and perhaps even economically superior, product-nuclear energy. In this end it agreed on a work plan (a cooperation between the parties regarding verification issues) to address all outstanding issues, with a defined timeline, which “was an important step in the right direction.” Nevertheless, it came to light that Iran had conducted Studies on the “weaponisation” (namely of building atom bombs in violation of the NPT. Additionally, there is evidence that Iran could have been studying how to use its nuclear technology to make a warhead) as well as work on some modification and that they might have tried to look into. The Iranians claim these are baseless allegations, but they have to convince the IAEA and to facilitate new discussions. However, Iran’s nuclear enrichment programme is now capable of beginning the industrial production of nuclear fuel. Despite UN demands for it to stop, IAEA reported that Iran’s expansion of its nuclear enrichment programme has raised the number of centrifuge machines (up to 3,000) in the country. Although, as the Director General of the Agency concluded, there has been further progress by Iran towards openness, there is an urgent need for more transparency. Notwithstanding the progress made by Iran, another Resolution of the Security Council (SC Resolution 1747/2007) imposed further sanctions to Iran. The UN’s sanctions have been closely

targeted on companies and individuals involved in nuclear and missile work. Furthermore, the imposed sanctions prohibited the supply to Iran of any items likely to assist uranium enrichment or the development of nuclear weapon delivery systems.

Nevertheless, contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities. The EU condemned Iran's defiance of U.N. resolutions demanding it suspend enrichment and pressed it to clarify intelligence reports that it secretly studied ways of the so called "weaponisation". It is of an urgent need that Iran continues to build confidence about its nuclear program, especially regarding its scope and nature. Confidence in the exclusively peaceful nature of Iran's nuclear programme requires that the Agency be able to provide assurances not only regarding declared nuclear material, but, equally importantly, regarding the absence of "undeclared nuclear material and activities" in Iran. With the exception of the issue of the alleged studies, which remains outstanding, the Agency has no concrete information about possible current undeclared nuclear material and activities in Iran. Although Iran has provided some additional detailed information about its current activities on an ad hoc basis, the Agency will not be in a position to make progress towards providing credible assurances about the absence of undeclared nuclear material and activities in Iran before reaching some clarity about the nature of the alleged studies, and without implementation of the Additional Protocol. It is of utmost international concern that the threat posed by Iran's enrichment programme to stability is very serious. Therefore, In March 2008, the UN Security Council approved a third round of sanctions on Iran over its nuclear programme (SC Resolution 1803/2008). These included asset restrictions and travel bans on Iranian individuals and companies with connections to the nuclear industry, and a prohibition on the sale of "dual-use" technology to Iran. Obviously the international community strives for finding a durable solution by pursuing a "twin-track strategy". Notwithstanding the current sanctions being imposed, incentives accompanied this decision in order to demonstrate the benefits of engagement and cooperation between the two parties.

All things considered, the course of nuclear nonproliferation appears to be at a crossroad. New threats such as those posed by the possibility of nuclear terrorism and the emergence of illicit nuclear supply networks have prompted questions concerning how, and whether, the Atoms-for-Peace mandate can remain relevant as it is. Put simply, can the use of nuclear energy coexist with the goal of ensuring the nonproliferation of nuclear weapons? The answer is positive to that question. As a matter of fact, Eisenhower's vision is relevant today as it was in 1953. In respects of this ongoing project, IAEA should continue to dedicate itself to meet today's security concerns and tomorrow's security challenges, with patience still a virtue and the continuing debate and dialogue a prerequisite for its success. Iran may create a new strategic reality in the Middle East considering its civil nuclear program. Dialogue and mutual cooperation remain the only viable solutions so as to avoid living in the "shadow of a nuclear sphinx"

Useful Links

<http://www.iaea.org/>
<http://www.guardian.co.uk/>
<http://www.nti.org/>
<http://www.csis.org/>
<http://www.cns.miis.edu/>
<http://www.nea.fr/>
<http://www.nei.org/>
<http://www.ctbto.org/>
<http://www.news.bbc.co.uk/>
<http://www.unscear.org/>
<http://www.sourceoecd.org/>
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<http://www.yaleglobal.yale.edu/>
<http://www.proliferationnews.org/>
<http://www.carnegieendowment.org/strategy>
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