



## The Non-Proliferation Treaty Review Conference: **Breakthrough or Bust in '05?**

*A BASIC/ORG project - Briefing 15*

### **Addressing the Challenge of Iran**

#### **Background**

**I**ran is developing an extensive nuclear programme with the aim of installing 6,000 MW of generating capacity over the next 20 years. This includes completion of the Bushehr reactors by Russia, which will supply and take back used fuel. Iran also wishes to diversify nuclear generation with different types of reactors and eventually achieve a full nuclear fuel cycle.

Iran has the 'right' to develop these facilities under Non Proliferation Treaty (NPT) safeguards. However, recent revelations about dual-use aspects of Iran's nuclear programme have heightened long-standing concerns over Tehran's ultimate intentions.

Nuclear weapons developments in India, Libya, North Korea and Pakistan all involved the use of civil nuclear energy as cover. This must not be allowed to happen again. Iran must be held to its promises under the NPT. At the same time, and for reasons of equity and regional security, Israel's nuclear status, which encourages nuclear proliferation in the Middle East, must be addressed. (*See Briefings 2 & 11*).

#### **Iran's Nuclear Programme**

**I**ran's nuclear energy programme originally began under the Shah in 1967. Iran ratified the NPT in 1970 and concluded a comprehensive safeguards agreement (CSA) with the International Atomic Energy Agency (IAEA) in 1974. However, since the Shah was overthrown in 1979, Iran has been under a virtual embargo on the provision of nuclear equipment and technology by the West because of unease about Tehran's intentions. Concern focused on Iran's desire to complete construction of the Bushehr reactors, allied to a history of suspicious procurement efforts in Europe and elsewhere and alleged attempts to clandestinely develop a centrifuge enrichment programme. Iran's medium and long-range missile development programme further added to these worries.

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Disquiet was heightened considerably in August 2002, when secret underground uranium enrichment at Natanz and heavy water production facilities at Arak were exposed. Both of these processes and facilities are dual use and could be used in civil or military programmes. This sparked an intensive round of discussions and inspections by the IAEA in February 2003. The Director General of the IAEA has since reported, at three monthly intervals, to the IAEA Board of Governors.

Each successive report has provided instances of undeclared nuclear fuel cycle activities. They detail secret and sophisticated uranium enrichment, uranium conversion and plutonium separation activities over a period of 18 years, along with “extensive concealment activities”. The IAEA is today uncertain whether Iran possesses any undeclared nuclear materials or activities that could be used for weapons purposes.

While latterly Iran has cooperated with the IAEA inspections in most respects and agreed in December 2003 to sign and act by the terms of an additional protocol (AP), it has yet to ratify the protocol. Moreover, some of the initial information provided by Iran has subsequently been found to be partial or even false and Agency access has often been delayed or circumscribed.

<http://www.basicint.org/pubs/Notes/BN041123.htm>

## The International Dimension

There is no international consensus towards Iran. The United States has generally been uncompromising, convinced Iran is pursuing a clandestine nuclear weapon programme and repeatedly calling for a finding of ‘non-compliance’ by the IAEA Board and reference to the UN Security Council (UNSC) for further punitive action.

The Europeans, particularly France, Germany and the UK (EU-3), have been more conciliatory. While also having doubts they have argued that Iran needs incentives rather than the threat of sanctions from the UNSC. To this end they have offered Iran help with regional security concerns as well as access to nuclear technology and fuel and a special trade agreement if Iran ceases uranium enrichment pending a negotiated agreement on its nuclear programme as a whole. Iranians question whether the Europeans are able to deliver their side of the bargain, given the US reluctance to negotiate.

The Non-Aligned Movement (NAM), led by South Africa and Brazil, firmly supports Iran’s right under the NPT to develop civil nuclear technology.

## Prospects

Under the NPT Iran has the ‘inalienable right’ to develop nuclear technology for commercial purposes and needs to give only three months



notice to withdraw from the regime and develop a military dimension. It is unlikely to agree to a full suspension of its enrichment, and discussions in Geneva appear stalled. There is no lawful mechanism for either preventing Iran from following this course of action or for making it accountable to international non-proliferation norms once such a declaration has been made. This situation presents a serious challenge to the credibility of the non-proliferation regime.

But the Iranian government is also signalling a willingness to compromise. Could a bilateral agreement be reached between the IAEA and Iran on intrusive voluntary verification measures that go beyond the AP? If Iran is serious about showing that it possesses no nuclear weapons, it should accept the concept of such inspections.

The option of referral to the UNSC may not be a panacea as it is likely to be divided about the appropriate action to take, especially given significant Russian and Chinese investment in Iran's oil and gas fields.

Certainly, the underlying hostility between the United States and Iran will have to be addressed, Iran's security needs will have to be met, and its desire to be treated as a responsible international player respected, if a sustainable and credible long-term solution is to be achieved. Continued US economic sanctions and veiled threats of unilateral air strikes are counterproductive, precipitous and destabilising in both Iran and the wider Middle East. The threat of punitive action may simply hasten the very result it is intended to prevent. Following the military strike on the Iraqi nuclear reactor at Osirak in 1981, for example, Saddam Hussein simply diversified and accelerated his clandestine nuclear weapons programme. The same result can be expected should the United States or Israel attempt a military strike on Iran.

How the issue is played at the 2005 NPT Review Conference will be an important indicator of the international community's resolve to dissuade a resourceful and determined country from acquiring nuclear weapons capability. The situation is serious and the precedent that is set will likely have long-lasting consequences for the NPT and non-proliferation generally.

The international community needs to respond with determination to any serious cases of non-compliance, be it diversion, clandestine activities or breakout. States violating treaties and multilateral arrangements should not be permitted to do so unimpeded.

## Recommendations

**1. Iran needs to ratify the AP as a matter of urgency and improve the transparency of its nuclear activities. If it does so to the satisfaction of the IAEA, then the international community should assure Iran of its 'right' to a secure supply of electricity from nuclear technology with-**

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out threat of military action.

2. The IAEA must be permitted time to verify Iran's compliance with its NPT obligations.

3. Iran's record of violating its safeguards obligations and pattern of deception to date has made it unadvisable for the international community to permit Iran to enrich uranium or reprocess plutonium. Iran should rely on guaranteed international supplies of fuel to meet its energy needs.

4. The case of Iran should be part of a broader review of the rules governing access to sensitive parts of the nuclear fuel cycle (*Briefing 16*) and the first steps towards a nuclear-free Middle East (*Briefing 11*).

5. The UNSC should consider a positive resolution endorsing any agreement between the EU and Iran that "objectively guarantees" that Iran's nuclear programme is exclusively for commercial purposes.

6. The United States needs to build on its recent offer to support Iranian membership of the WTO and open a constructive dialogue with Iran, which recognises its legitimate security needs.

7. States Parties need to:

- reassert the supremacy of the UNSC in all matters related to military intervention and refrain from preventive, unilateral military action to resolve concerns about Iran's nuclear programme;
- establish formal mechanisms for assessing compliance with the NPT;
- treat cases of non-compliance consistently and non-discriminately;
- call on the UNSC to agree specific penalties for any state that leaves the NPT, including the surrendering of all nuclear technology; and
- consider alternative ways to address the case of a state leaving the treaty (breaking out). Under the Open Skies Treaty, for example, if a state invokes the withdrawal clause, parties can convene a conference that considers the effect of the withdrawal on the treaty.

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