

# View from the Boardroom

## *The year that was!*

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In celebrating the fiftieth anniversary of a noble idea by a great visionary, one has to assume humility. The “atoms for peace” speech given by President Eisenhower to the General Assembly in 1953, was illuminating in showing how events, nations and interests can shape things to be. A noble idea and a great vision must, nevertheless, submit to the constraints of time. Perhaps the humility lies in the fact that the objective of disarmament, of an international institution acting as a depository of nuclear weapons, was not to be realized. Indeed, the atoms for security, that include economic security, were to be a major challenge in the quest for atoms for peace.

### Board Membership and Chairmanship

A 35-member Board of Governors is an array of States; a few have nuclear weapons while others have varying levels of nuclear technology base, reflecting a balance of geographical regions. This simple fact underlines the importance of an all-inclusive membership in a multilateral forum. Kuwait assumed membership of the Board in 2001, a year prior to its active interest to seek Chairmanship for 2002-2003. One view held at the time was that a Chairman had to be either knowledgeable in nuclear technology or come from a State with nuclear activities (It is a tradition that the five nuclear powers do not seek the Chairmanship. The one exception was the French Chairmanship in the year 1979-1980.) Another point of view was that the designated Chairman should come from a State that is party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). By building support and touching base with colleagues and headquarters, the principle of rotation to the post was upheld and Kuwait was selected by consensus as Chairman. Indeed, it is a tribute to the membership of the Board that, since 1989, the tradition of electing a Chairman by acclamation has been consistent. It is a tradition that reflected the “Vienna Spirit,” a spirit of non-contention and consensus-building in the Agency, unlike most other UN organs.

The experience gained as Chairman was invaluable. It underlined the importance that major players had to be on

board all along in order to achieve a harmonious decision, if not a unanimous one. Next to earning the trust of the members of the Board, sounding them out at an early stage and throughout the process of decision-making is a vital asset for leadership.

The Chairman thus becomes the repository of knowledge, and of the parameters of action to a given situation. The ability to steer the work was facilitated by a highly professional dedicated Secretariat, ever cautious in making political judgments. Above all, the Director General’s discreet advice and his contacts with several capitals proved to be invaluable. Indeed the credibility and trust he has earned among Member States has come to the rescue at critical junctures.

### Year’s End or Year’s Start?

It is noteworthy that the first major task for an incoming Chairman is the preparation of the draft resolution on the work of the Agency, which is submitted annually to the General Assembly of the United Nations. The text reflects the decisions/resolutions adopted by the General Conference wrapping-up the Agency’s work for the past year as the General Assembly starts a fresh one. I followed the tradition of negotiating a substantive text with members as well as non-members of the Board—a laborious task—rewarded by its prompt adoption by the General Assembly. The process convinced me of the need to present a procedural text in the future, one that wholly and factually reflects the work of the Agency without deflecting from the substance. Commencing consultations early before the process became a timely issue, paved the way for approval by the members. It is gratifying that the attempt to streamline members’ decision-making process was accepted.

### Dollars and Sense

The Agency had operated under the constraints of a zero real growth budget for fifteen years, in the face of increasing demands, particularly in the verification programme. Aware of previous attempts by the Secretariat in addressing the issue, early efforts to rectify the situation were made



IAEA Director General Mohamed ElBaradei and Ambassador Nabeela Al-Mulla, Board Chair.

through consultation between interested Member States and the Secretariat to draw up the budget. Starting with a draft on 10 December 2002, the Secretariat presented several options that could meet the financial needs of the Agency while satisfying views and interests of Member States. The budget issue was discussed throughout the year, reflecting divergent positions among and within groups. The Geneva group, the largest donor to the Agency's budget, did not have a unified position in support of the increase, nor did the members of the Group of 77 and China group, who were generally reluctant to approve an increase. Perhaps the most frequently expressed view during the discussions was the need to maintain a 'balance', a balance between the statutory and the promotional activities of the Agency; between the safeguards demands that fall under the regular budget and technical cooperation support that is financed by a voluntary fund. Timely interventions by the Director General, the leadership role of colleagues in working groups, the input by several others, and a carefully nurtured collective will, culminated in the successful adoption of the budget. The Board finally reached a package agreement on 18 July. It is to the credit of the Member States as a whole that the resolution on the budget was finally adopted by the General Conference two months later.

### Trio of Turmoil: DPRK, Iraq and Iran

The energy and time spent by members in discussing the budget and other affairs of the house were often diverted to discussions on issues deemed of high urgency. The interest of the media in such issues also forced an air of excitement and expectation that is not normally experienced in a sedate and "technical" Agency. The high visibility accorded to the Agency was due to political developments and the role entrusted to it to verify the international non-proliferation regime based on the NPT. The Democratic People's Republic of Korea (DPRK), Iraq and Iran manifested, in varying degrees, the fragility of that regime. All three had some arrangement with the Agency to verify their nuclear programmes. However not all their facilities or activities came under international control. Besides, it is a fact that the three cases proved to have a long history before they became issues for consideration by the Agency. Perhaps it was not a coincidence that the three cases were brought to the fore within a year's span.

The DPRK had been a dormant issue since 1993, with the Agency periodically reporting that it was not in a position to provide assurance of non-diversion of nuclear material. In October 2002, it became known that Pyongyang was embarking on enrichment activity. Attempts by the Agency and other major players to resolve the issue were unsuccessful. This led to the first of three attempts by the Board to deal with a defiant NPT member that is also bound by a safeguards agreement with the Agency. The Agency had, in addition, the responsibility of monitoring the "freeze," in accordance with the 1994 Agreement between the DPRK and the United States of America. The Board's resolution of 29 November came on the heels of meetings of the



IAEA Director General ElBaradei prepares to take journalists' questions at a press conference on the DPRK issue.

Technical Cooperation Committee, which hardly attracted the attention of the media at the time. Lengthy consultations took place until members came within a hair's breadth of approving a resolution without a vote. Difficulty arose when a divergent view called for more emphasis on the importance of dialogue rather than the non-compliance status of the DPRK's programme. Tensions dissipated with agreement to a statement by the Chairman that met concerns on the issue. Notwithstanding the harmony among members and their resolve to handle the issue through diplomatic means, they had to deal with a defiant DPRK that expelled the Agency inspectors in December 2003. The Board again, on 6 January 2003, adopted, without a vote, a resolution that was "rewarded" with the unilateral announcement by DPRK that it was withdrawing from the NPT. The third attempt by the Board to resolve the issue was its resolution on 12 February 2003 to report the matter to the Security Council. The Agency still remains seized with the issue often described as the greatest threat to the non-proliferation regime.

The case of the DPRK calls into question the terms of the NPT, the cornerstone of the non-proliferation regime. Issues kept in abeyance, such as the mechanism of withdrawal from the Treaty, need to be addressed.

The case of Iran is slightly different. In the quest for "atoms for peace," Iran attracted attention with its sophisticated programme that could challenge the fragile non-proliferation regime. Ever since the issue came to the fore in August 2002, attempts were made to resolve the issue, the history



IAEA inspection staff at Saddam International Airport in Iraq.

and extent of the program, through dialogue. It is to the credit of the Agency that the trust earned with the Iranian authorities allowed for firmness in addressing the issue, unlike the DPRK case where there was hardly any meaningful personal contact or discussion on substance with the Agency. Some members of the Board initially raised the issue in March 2003, requesting the Director General to report on nuclear activity in Iran. Indeed, the Board is responsible for reaching conclusions regarding compliance with safeguards agreements between the Agency and a contracting Member State. The statement by the Board in June and its resolution of September, which were based on objective and factual reports by the Director General, are testimony to the validity of collective action under the Agency. The programme is increasingly coming under the scrutiny of the Agency, thanks also to the cooperation of the Iranian authorities.

One will have to pause here and reflect on the rights and duties of States vis-à-vis their entitlement to nuclear technology and equipment for peaceful purposes. For example, are non-nuclear States that ratified the NPT entitled automatically to such rights? Could other States withhold this right and still remain credible given the fact that States non-parties to the NPT enjoy the flow of sophisticated nuclear technology and equipment? Is the issue one of legality, or of confidence-building as well?

As to Iraq, the Board has been kept periodically informed by the Director General of developments concerning two aspects of its program—its safeguards agreement with the Agency pursuant to the NPT and activities that are mandated by the Security Council of the UN. The Agency assumed a high profile, with the discussions taking place between the United Nations Monitoring and Verification Commission (UNMOVIC) and Iraqi authorities in Vienna during the summer of 2002 that earned the Agency the crude title of “watch dog.” The Board itself did not engage in a discussion on the latter aspect of the programme. Again it is to the credit of the Director General that he managed the affairs of the house while faithfully dispensing a role entrusted to the Agency by the Security Council. This role, which was restarted in November 2002, continued until March of the following year when the Director General informed the

Board, and broke the news to the world that the inspectors in Iraq were to be withdrawn.

While the Board only took note of the statement by the Director General, there were lingering concerns relating to the Iraqi programme. How and when could the Agency complete its overall assessment and review of the programme? How would the knowledge and experience gained by professional inspectorate team be preserved within this multilateral institution? How could the safety of nuclear material be assured in the midst of military activity? The report submitted to the Board in June 2003, following a verification mission to Iraq, addressed one aspect of the case. Future developments will dictate the answer to others.



Inspectors examine the remains of Electro Magnetic Isotope Separation (EMIS) equipment that had been salvaged from a bombed building in Iraq.

## Year's End

Fifty years is perhaps a relatively short time to entrench a culture for “atoms for peace.” Events during the past year proved that the many fast-paced challenges to the principle need to be addressed, and urgently so.

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