

ix years ago, Dr. Hans Blix wrote in the *IAEA Bulletin* of a "general optimism about further arms control and verification." At the time, world events warranted such a prognosis; the IAEA was riding a wave of momentum after its instrumental role in the roll-back of the South African nuclear weapons program and bringing Ukraine, Belarus, and Kazakhstan into the Nuclear Non-Proliferation Treaty (NPT) as non-nuclear-weapon States. The NPT's indefinite extension was only two years old, and the most pressing challenges, while recognizable, were somewhat stagnant.

Today, some tidings elicit similar optimism. The IAEA's increasing efforts to combat terrorism and the decision by Member States to depart from nearly 20 years of zero realgrowth budgetary policy are remarkable testaments to the Agency's adaptability and credibility in the face of new threats. And with the worldwide frenzy over terrorism and redoubled phobia of weapons of mass destruction (WMD), the Agency garners public attention now as never before.

Emblematic of this recent upsurge in political attention, US President George W. Bush's annual State of the Union address in 2003 mentioned supporting the IAEA as a specific priority of his administration—the first mention of the Agency in that speech since President Eisenhower in 1961 lauded its creation under "Atoms for Peace." Such visibility portends a future with prospects for overcoming bureaucratic inertia and effecting significant changes to the Agency's benefit.

But with that visibility has come an uncertainty about the IAEA's role in world affairs. Despite being able to resolve most benign problems more easily, the Agency must operate in an environment haunted by the non-proliferation analogue of Charles Dickens' triumvirate specters: the ghosts of verification challenges past, present and future—namely, the cessation of UN-mandated inspections in Iraq, the difficulties ensuring compliance in North Korea and Iran, and the need to maintain the IAEA's saliency as non-proliferation institutions and initiatives evolve.

That the IAEA has been subject to increased politicization of late is no secret. Its treatment by Member States before and after the war in Iraq, followed by substantial policy shifts in response to events in Iran and North Korea, raise questions about the Agency's ability to act independently in an environment where States are increasingly concerned with its judgments and willing to exert pressure to influence them. What is more, the emergence of more coercive, less formal mechanisms of preventing proliferation highlight the limits of verification measures and could marginalize the Agency instead of complementing it if not unfurled propitiously.

## **Ghosts Past and Present**

Though its prospects for resolution may improve in the foreseeable future, the ghost of conflict past in Iraq still weighs heavily on the outlook for verification. Even putting aside rhetorical exchanges—which were numerous and sometimes pivotal—the relief of IAEA and UNMOVIC

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inspectors from Iraq and the subsequent war there raise serious questions about the role of international inspections in resolving future conflicts.

For many, the choice by Coalition allies to spend billions on a military solution to a problem they deemed inspections inadequate to address is sufficient to adjudge verification unreliable. And a belief that the world's only superpower and largest IAEA financial contributor deems inspections infirm may by itself constitute the critical mass necessary to begin eroding trust in verification, even among those who would prefer to see it strengthened. Ronald Reagan's adage to "trust but verify" is challenged on both fronts by this reasoning, the degeneration of confidence in the latter enfeebling the former.

History, however, may eventually come to view the war in Iraq as a vindication of inspection's mission. The war was, by this view, ultimately an enforcement of inspectors' mandate by other means in a situation where unique challenges precluded verifiable disarmament. Justified, as we now know, in large part by information culled from inspections, Coalition forces acted to destroy or account for what inspectors could not reach. And if Iraq WMD stocks are never found—an increasingly likely third possibility then inspections may be further exonerated. Should continued searches fail to produce evidence of major weapons caches, then claims that inspections were ineffectual would be debunked, and proponents of peaceful verification could hold the instance up as proof that inspections remain a potentially useful means of avoiding conflict. Which of these possibilities predominates, or what mix of them ensues, remains a critically open question.

Unfortunately, the uncertainty surrounding the IAEA may be exacerbated as the international community confronts present ghosts in North Korea and Iran. In North Korea, the 1994 Agreed Framework gave the Agency only a limited role monitoring a freeze on North Korean facilities believed to be associated with the country's plutonium-based nuclear weapons program, and no role with respect to its more recently revealed uranium enrichment efforts that sent this crisis back up the escalation ladder. Although the IAEA successfully monitored the freeze of the North Korean plutonium program and had no opportunity to explore whether the country was undertaking nuclear activities beyond these facilities, some view the situation as validating their view that treaties—and by implication, associated verification tools—are ineffective in halting determined proliferators. This is hardly a valedictory for international inspections.

The situation in Iran underscores the continued challenges before the IAEA in detecting undeclared activities in the absence of an Additional Protocol (which grants the IAEA more intrusive inspection rights that include access to all points of the nuclear fuel cycle and the right to take environmental samples beyond declared nuclear sites). With the

1991-1992 reaffirmation of the IAEA's authority to demand "special inspections" of suspect sites, many hoped that the Agency would be able to keep interposed a significant barrier to Iranian efforts to build a nuclear weapons capability. But the revelation of the Natanz enrichment plant and the Arak heavy water facility in late 2002 made clear that Iran was proceeding with significant nuclear developments that it was not reporting to the Agency. Though Iran's decision to conclude an Additional Protocol provides reason for optimism on this front, the arrival at such circumstances nonetheless places the IAEA's credibility in dealing with direct challenges under considerable pressure.

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## Facing the Apparitions

Perhaps the most important conclusion one can draw from surveying these issues is that their effects can only be understood properly if taken together. The developments before and after the war in Iraq were watched closely around the world, no doubt including in Tehran and Pyongyang.

It is likely that the treatment of inspectors has drawn careful attention and consideration as well. After viewing the short tenure of inspectors in Iraq before the war and their continued exclusion after it, Iran might, for example, be less likely to trust such measures as a way to avoid conflict in its case, even though it has decided to accept them.

What is more, not only are Iran and North Korea aware of what happened in Iraq, they are doubtless paying attention to how the other is treated. Consequently, further derogation or opportunistic treatment of the IAEA in either situation will likely make for more difficulties later, should the Agency be given a subsequent role in one or both cases.

The challenges posed by Iran may prove especially potent, since they make clear that the IAEA faces difficulties not only with the verification pillar of its mission, but with the peaceful cooperation one as well. Indeed, the majority of Iran's stated grievances stem not from unfair submission to inspections, but from unjust denials to nuclear technology under NPT Article IV. And regardless of eventual determinations of Iranian compliance with its safeguards obligations, the situation raises fundamental questions about the structure of the NPT, having made clear that a State can

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develop a virtual "break out" capacity not only while complying with the NPT, but using it as a justification.

These questions may prove so elemental that they require fundamental new thinking about the NPT and how these gaps can be narrowed or closed. Such questioning, while welcome, would open the way for questions about the NPT's facilitation as well, which constitutes a large portion of IAEA safeguards and technical cooperation work.

This situation, like the one in Iraq, also points to significant lessons about the politicization that the Agency is likely to face as it navigates future events. The debate over Iraqi disarmament in the run-up to the war there put inspections, perhaps as never before, in the crossfire between disagreeing

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world powers. What ensued, to paraphrase two Brookings Institution scholars, was a multilateral autumn that turned into a unilateral winter. Readmitting inspectors was the world's answer to President Bush's challenge before the UN to take action or "be irrelevant," but in six months that response had been relegated to the sidelines. Unilateral winter gave way to a mercurial spring. President Bush, for example, called for the world to come together to make the IAEA more effective and practically alluded to Additional Protocols as a way of facilitating the "Bush Doctrine"—his broadly articulated policy for dealing with terrorists and those that harbor them. But he did so only weeks after the White House backed efforts to create a US substitute for the IAEA and UNMOVIC in Iraq.

When multilateral commitment changes with seasons instead of eras, neither the IAEA nor its Member States can expect the Agency to have the backing it needs to take decisive action. If such treatment becomes the norm, then the trust States can place in the Agency will wane, with political pressure employed opportunistically in its place.

## Potential Future Ghosts

It is difficult to look further into the future than the verification challenges of the present. No doubt other challenges will emerge, as curbing proliferation figures increasingly into the international community's security calculus. Whenever occasion has arisen, the IAEA has proven adaptable, as its Member States expanded its purview from declared nuclear activities to include undeclared ones, and

then again to incorporate measures to counter nuclear terrorism. But for all these changes, it remains a State-centered institution in a world increasing concerned with non-State threats.

In response to these dangers, new efforts that help nations utilize the entire "non-proliferation toolbox" are being formed to address gaps in defenses against proliferation. While such new initiatives may prove valuable, the international community must be careful that they are brought onto center stage as additions, not replacements or panaceas, to traditional non-proliferation instruments. Otherwise, they risk unnecessarily devaluing the benefits that current non-proliferation tools provide. Many of these tools were designed in a previous era, but still perform important functions. The IAEA's records of nuclear materials accounting, its database of illicit smuggling incidents, and its new activities to help States combat terrorism are all good examples. It is critical that IAEA Member States remain mindful of these benefits and work to integrate them with new initiatives as they are implemented.

Put simply, for the War on Terror to have a military end, its combatants will have to trust peaceful verification mechanisms that inherently require a tolerance of some ambiguity. The world faces unprecedented new threats and the continued expansion of nuclear material—a trend that regime change in one or a few nations and the creation of new interdiction capabilities will not change.

One hopes the IAEA's central role in Iran, its increasing efforts to confront the threat of terrorism, and its new budget are harbingers of a new era in which the Agency can act with backing similar to what it held when Hans Blix wrote in 1997. The IAEA's role in Iran puts it on center stage in the world's newest paramount verification drama, and its growing endorsement to combat terrorism reshapes it to counter emerging threats. Similarly, the recent budget increase is a landmark step towards bringing IAEA capabilities into line with its responsibilities.

Like Scrooge in Dickens' play, the international community appears to have come to its senses and amended its miserly funding habits. But to reverse an old adage, if the IAEA is to escape its ghosts, its Member States must now make evident that they will "put their mouth where their money is."

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