



**NEW UN SECURITY  
COUNCIL RESOLUTION ON IRAN:  
PROSPECTS  
OF THE IRANIAN NUCLEAR  
ISSUE SOLUTION**

Proceedings of the International  
Luxembourg Forum Workshop Meeting

**MOSCOW, APRIL 14, 2008**









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The book contains proceedings of the International Luxembourg Forum Workshop, where the most authoritative experts from different countries debated the Iranian nuclear problem. The discussions resulted in the Memorandum, which was distributed to leaders of various nations and heads of international organizations and security institutions.

The publication is intended for a wide audience and includes a number of documents on the subject.

*Official site of the International Luxembourg Forum: [www.luxembourgforum.org](http://www.luxembourgforum.org)*

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## **FOREWORD**

The April 14, 2008 Working Group meeting in Moscow on the Iranian nuclear problem was the first official event of this format within the framework of the International Luxembourg Forum on Preventing Nuclear Catastrophe. The Forum was created in May 2007 as a movement of the most authoritative international experts. One of its immediate objectives is to strengthen the nuclear weapons nonproliferation regime.

The Iranian nuclear problem was chosen as the core theme for the April 2008 Working Group meeting in Moscow because it is one of the most pressing issues related to WMD proliferation and other threats to international security. The concern of the experts was caused by the fact that as noted in UN Security Council Resolution 1803 (March 3, 2008), "Iran has not established full and sustained suspension of all enrichment related and reprocessing activities and heavy water-related projects as set out in resolution 1696 (2006), 1737 (2006), and 1747 (2007), nor resumed its cooperation with the IAEA under the Additional Protocol, nor taken the other steps required by the IAEA Board of Governors, nor complied with the provisions of Security Council resolution 1696 (2006), 1737 (2006) and 1747 (2007) and which are essential to build confidence".

However, despite all claims by Iranian officials, the international community does not treat Iran with discrimination. In fact, Resolution 1803 confirms "that once the confidence of the international community in the ex-

clusively peaceful nature of Iran's nuclear programme is restored, it will be treated in the same manner as that of any Non-Nuclear Weapon State party to the Treaty on the Non-Proliferation of Nuclear Weapons". Members of the International Luxembourg Forum fully subscribe to this position.

A tangible outcome of the Working Group meeting was the Memorandum endorsed by all of the twelve participants and distributed to national leaders and heads of international organizations and security institutions.





## **WELCOME ADDRESSES**



**Viatcheslav KANTOR, Ph.D.**

President of the International Luxembourg Forum (Russia)



In my capacity as the President of the International Luxembourg Forum on Preventing Nuclear Catastrophe I would like to express my utmost gratitude to all of you for having found the time to take part in this regular scheduled Working Group meeting of our Luxembourg Forum's Advisory Council.

I am certainly extremely grateful to Rose Gottemoeller, Director of the Moscow Carnegie Center, who offered to host our meeting in this wonderful building. As you know, we will discuss potential solutions to the Iranian problem in light of the new UN Security Council Resolution. We chose the timing for this meeting because we thought that at this point in time there would be more certainty, not so much with respect to the Iranian response to UN SC Resolution 1803 (in fact, the response was confidently predictable even before the debates on the draft resolution), but rather in terms of what the politicians, diplomats and expert community think should be done next.

An absolute majority of nonproliferation experts is convinced that further attempts by top negotiators to persuade Iran to comply with the three previous UN SC resolutions by adopting a new document with gradually tightening sanctions will fail and that new leverage on Iran should be sought. Moreover, in the aftermath of Resolution 1803 Iran officially rejected any discussions of nuclear issues with any organization except the IAEA. On top of that, plans to install six thousand additional centrifuges in Natanz were revealed on 8 April 2008.

The range of opinions and proposed solutions to this issue is quite wide, from use of force to an offer of a large development assistance package for Iran's society and economy, as well as its science, engineering, energy and education sectors, if the country complies with the Security Council resolutions, ratifies the 1997 Additional Protocol and restricts its missile programs. If the Iranian leadership rejects the offer, the international community would have to completely isolate its economy.

The main challenge to all the familiar and new potential solutions to the Iranian nuclear program is to choose the optimal option, given all the evolving circumstances. Obviously, it is extremely difficult to find a solution to the problem. But it has to be found because, as has been repeatedly noted, nuclear weapons in the hands of Iranian leaders would cause not just a regional, but also a global catastrophe, as they threaten to destroy the Treaty on the Nonproliferation of Nuclear Weapons.

Therefore, the mission of our Working Group is exceptionally challenging, but given the caliber of the experts brought together by the Luxembourg Forum I would hate to think it were impossible. Allow me to express my hope that we will produce solutions that the international community will take into account.

In conclusion, let me add the following: on the eve of the meeting we had a collegial exchange of views, where we unanimously concluded that unfortunately in times of "global depression" economics often trump moral values. In other words, global catastrophes occur when the world experiences a shift in priorities. Today, just as prior to the Second World War, we are seeing economic priorities triumph over moral priorities. The ambition of many European and Asian countries to cooperate with Iran in various areas of the economy is undermining effective implementation of the UN Security Council Resolutions. We should take a closer look at containment mechanisms and offer the international community appropriate mechanisms to either fully refuse to cooperate with Iran or, at least, to refrain from entering into new economic agreements with this country.





**Rose GOTTEMOELLER**

Director of the Carnegie Moscow Center (USA)

Welcome to the Carnegie Moscow Center! It is a pleasure for me to welcome you here today. We will be having a very interesting Working Group meeting on the Iranian nuclear program. I believe that this is not only a very important subject, but also a priority for us in contemporary nuclear politics.

It is a great honor for us at the Carnegie Moscow Center to have assisted in organizing this meeting with the Luxembourg Forum. A year ago the Forum started its work at a conference in Luxembourg, which some of you attended.

I think of the Luxembourg Forum as a positive endeavor which provides an additional impetus to the process of nonproliferation and disarmament. Recently we have seen other initiatives in this direction. For example, a new process started in the US, initiated by Henry Kissinger, William Perry, Sam Nunn and George Schultz, who had published two articles in the *Wall Street Journal* outlining a very interesting and comprehensive disarmament program. A similar impulse comes from Hans Blix' International WMD Commission. Our colleague Alexei Arbatov is actively involved in its work. Among other interesting recent events that deserve to be mentioned here is an international conference organized a month ago by the Ministry of Foreign Affairs of Norway.

One can say that various processes giving a new impetus to the disarmament and nonproliferation process are gradually gaining momentum. In this respect I would like to underscore the special importance of the Luxembourg Forum as that of a Russian organization working towards these objectives.

It is a pleasure for me to welcome all of you and my colleague Viatcheslav Kantor, whom I now pass the floor to. Thank you for having come here today, I am happy to see all of you here!









## **SESSION 1**



Chairman –  
**Alexei ARBATOV,**  
**Corresponding Member**  
**(RAS)**

Head of the Center  
for International Security,  
IMEMO (RAS);  
Scholar-in-Residence  
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# UN Security Council Resolution 1803: Implementation issues

**Alexander KALIADIN, Ph.D.**

Principal Researcher of the IMEMO (RAS, Russia)

Resolution 1803 of March 3, 2008, is the fourth document adopted by the Security Council on Iran's nuclear program on the basis of Article 41 of Chapter 7 of the UN Charter ("Action with respect to threats to the peace, breaches of the peace, and acts of aggression").

In the first resolution on the Iranian nuclear program, which was adopted based on the report of the IAEA Director General, the UN Security Council demanded that Iran suspend all operations related to uranium enrichment and reprocessing spent nuclear fuel (SNF) and take certain other steps aimed at reducing the level of concern in the international community regarding the character of Iran's nuclear program (UNSC Resolution 1696 of July 31, 2006) <sup>1</sup>.

The above requirements were dictated by the fact that, for many years, Iran has been conducting undeclared activities in the nuclear field, includ-

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<sup>1</sup> The IAEA Board of Governors demanded that Iran return to the system of complete and consistent suspension of activities related to enrichment and reprocessing activities subject to control by the Agency, including scientific research and design and construction work; that it reconsider the construction of a research reactor with a heavy-water moderator; that it immediately ratify and fully implement the Additional Protocol; in expectation of ratification, that it continue to act in compliance with the provisions of the Additional Protocol; that it implement transparency measures (including, in part, access to persons and documents related to the acquisition of dual-purpose equipment). Document IAEA GOV/2006/15. 3/8/2006.

ing the covert purchase, acquisition and development of dual-purpose (civilian and military) technologies, in violation of its obligations under the Nuclear Non-Proliferation Treaty (NPT) and an agreement on safeguards, reached with the International Atomic Energy Agency (IAEA). Such behavior has engendered mistrust on the part of many countries, with respect to the objectives of the Iranian nuclear program and, ultimately, was the reason for the current crisis.

It should be emphasized that NPT non-nuclear-weapon member-states have the right to perform uranium enrichment and SNF reprocessing activities, but such activities must be subject to IAEA safeguards. With Iran, this was not the case: these activities were performed covertly, without the appropriate notification of the IAEA.

The demands to suspend the above activities are listed in all subsequent UNSC resolutions, including Resolution 1803, as Tehran has failed to take the steps demanded of it, which, incidentally, violates that country's obligations under Article 25 of the UN Charter. Moreover, three subsequent resolutions (2006-2008) stipulate the introduction of sanctions against the country.

But UNSC Resolution 1803 contains one special feature: it mentions, for the first time, that Iran entered into cooperation with the IAEA to resolve a number of issues relating to its past nuclear activities. Indeed, Iran is fulfilling — if not in its entirety — the Work Plan, adopted on August 23, 2007, which was agreed between the IAEA Secretariat and Iran and which was aimed at shedding light on outstanding issues of the realization of IAEA safeguards with respect to Iran's nuclear activities <sup>2</sup>.

Resolution UNSC 1803 welcomes the "agreement between Iran and the IAEA to resolve all outstanding issues concerning Iran's nuclear program and progress made in this regard ..." and contains a call for the IAEA to "continue its work to clarify all outstanding issues," as well as emphasizing that "this would help to re-establish international confidence in the exclusively peaceful nature of Iran's nuclear program."

It has also become common knowledge that the leaders of this country continue to state their commitment to the NPT and the agreement with the

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<sup>2</sup> IAEA GOV/2007/48, see Attachment 2.4

IAEA on NPT safeguards, and their readiness to continue cooperating with the Agency to resolve issues related to the implementation of this agreement. However, it must be recognized that the authorities have not yet provided a sufficient level of transparency, which would allow the IAEA to provide a credible assurance about the absence of undeclared nuclear material and activities in the country. Thus, some ambiguity remains.

## **The Thrust of Resolution 1803**

The main emphasis in Resolution 1803 focuses on the fact that the Iranian authorities failed to implement key provisions of previous UNSC resolutions. For example, they did not implement a complete and final suspension of all uranium enrichment and SNF reprocessing activities and all projects involving heavy water; they also failed to renew cooperation with the IAEA on the Additional Protocol and take any other steps of key importance to restoring international trust in the Iranian nuclear program. This situation was noted in UNSC Resolution 1803 "with serious concern."

In the resolution, and especially in the statement of foreign ministers of the G6 countries (the five permanent members of the UNSC, plus Germany), which was adopted simultaneously and should be seen as part of a package together with UNSC Resolution 1803, a dual-track approach can clearly be identified. On the one hand, there is a move to gradually expand sanctions, while on the other hand there is an attempt to energetically use this tool of multilateral diplomacy by applying an innovative approach and engaging Iran in international cooperation projects, which are of interest to that country.

As regards sanctions, UNSC Resolution 1803 expands the circle of individuals and organizations subject to such measures. The number of such entities, linked to the sensitive nuclear field, swelled from 22 in December of 2006 to 75 in March of 2008. A limited expansion of sanctions on dual-use items (goods and technologies) has also been provided for.

Nevertheless, sanctions have preserved their targeted and limited character. They are linked to those aspects of nuclear activities that directly challenge the NPT regime. The sanctions do not affect the nuclear

power plant in Bushehr or assistance rendered by the IAEA to Iran in the nuclear field.

The positive line of engagement is outlined very clearly in the joint statement by the G6 foreign ministers. The statement emphasizes that in the case of the resolution of concerns and restoration of trust in the Iranian nuclear program, the attitude toward the program will remain the same as the attitude toward any other non-nuclear state participating in the NPT (a clear hint of the possibility that restrictions on nuclear activities may soon be lifted). Even more significant is the promise of the G6 to develop its previous proposals (of June 6, 2006) relating to incentives to Iran in the economic and political fields, as well as in the field of security and civilian nuclear power plants. The statement also expresses the readiness to engage in an "innovative approach" to negotiations with Iran on the closure of the remaining nuclear issues, if Tehran agrees to the provisions of UNSC Resolution 1803.

Iran was given 90 days to implement UNSC Resolution 1803 (i.e. until the beginning of June 2008). If Iran fails to fulfill the conditions contained in the resolution, the UN Security Council intends to review the question of subsequent appropriate measures. The Council resolved to continue working on this issue.

However, it seems that neither the effects of sanctions, nor the temptation of foreign aid, including aid related to the peaceful uses of nuclear energy, has yet been sufficiently persuasive to prompt Tehran to significantly change its attitude toward the requirements stipulated by the international community.

## **Steps to Rresolve the Current Deadlock**

How can the situation be resolved, making the signals sent by the UN Security Council more persuasive to the Iranian political class?

It would appear necessary, on one hand, to increase the effectiveness of the sanctions regime, and on the other hand to increase the attractiveness of cooperative projects if the Iranian authorities agree to compromise with the UN Security Council. The following proposals are aimed

at increasing the probability of a diplomatic resolution of the Iranian nuclear crisis.

1. A key prerequisite: maintaining a united front of countries pushing for the Iranian authorities to strictly observe the nuclear non-proliferation regime, and finding a more appropriate balance between strategy and tactics with respect to Iran.

It is of particular importance to unite the positions of states that are permanent members of the UN Security Council on the issue of inducing Iran to comply with the demands of the UNSC and the IAEA, as well as their coordinated, joint actions. In this connection, it is of concern that no common understanding has been achieved with respect to the viability of placing American missile defense systems in Europe, purportedly for the purpose of parrying potential nuclear-missile attacks launched by Iran. This plan appears to be unconvincing as a means of applying pressure to the behavior of Tehran in the nuclear field.

First, it has become a stumbling-block between Moscow and Washington, increasing the number of points of tension between the two, and it is a new affirmation of the fragility of the anti-proliferation coalition focused on Iran which, of course, has been noted by Tehran and does not encourage Iran to make concessions to the Security Council.

The project to place the U.S. missile defense site in Europe, which is seen as a step that cuts into Russia's deterrence ability, has had a major negative impact on joint actions to regulate the Iranian nuclear crisis by means of multilateral diplomacy.

Second, this project sends a deceptive signal to Tehran, as it suggests that the international community has in some way come to terms with the fact of Iran possessing nuclear arms, and the problem is now to protect oneself from that country; in other words, the position takes as its starting point the failure, due to the pointlessness of the efforts of multilateral diplomacy, to force Iran to observe the rules of non-proliferation. And this could even prompt Iranian leaders to take hasty steps.

Is it really worth expediting the anti-Iranian missile-defense project, at the cost of weakening the anti-proliferation coalition that has taken so much effort to bring together?

Would it not be better to use the time available to give multilateral diplomacy via the UN a chance, increasing pressure on the Iranian nuclear establishment and increasing the interest of reasonable Iranian politicians in accepting the well-known cooperation proposals of the G6?

2. Making Iran's withdrawal from the NPT and the non-proliferation regime as difficult as possible, by taking anticipatory measures. Why is it time to perform this task? After all, Iranian leaders have consistently denied the presence of any intentions to acquire nuclear weapons, considering such weapons to be immoral and contrary to the teachings of Islam. Nevertheless, in Tehran there are occasional calls to cease cooperation with the IAEA, withdraw from the NPT, and acquire freedom of action in the nuclear sphere. In order to make such an option unattractive and expensive, it would appear appropriate to adopt a UNSC framework resolution that would contain provisions on the reaction of the international community to a withdrawal from the NPT by states that have violated or are violating the treaty prior to resolving to withdraw from the treaty. In this document, a set of collective measures that must automatically ensue could be established in advance. Moreover, stringent sanctions would come into force automatically, following a special report by the IAEA Director General. This would be an additional political means of deterring the Iranian leadership from abandoning its nuclear non-proliferation obligations. Such a preliminary agreement would reinforce the responsive mechanism of the international community in the case of emergency situations related to proliferation.

3. Increasing the effectiveness of the UN sanctions regime. To do this, Paragraph 5 of UNSC Resolution 1803 should be reinforced; this paragraph calls on all states to perform inspections at airports and seaports of all cargo shipped to and from Iran, given reasonable grounds to assume that an aircraft or sea-going vessel is transporting goods that are banned by the UN Security Council. In order to close down potential loopholes, it is possible to engage the operational capabilities of the Proliferation Security Initiative (PSI).

The experience accumulated within the PSI in the field of inspecting suspicious cargoes (interception, inspection of vessels, etc.) may turn out to be useful to ensure the effective implementation of the corresponding pro-



visions of UN Security Council Resolution 1803 that govern the inspection of cargo that is suspicious from the viewpoint of nuclear non-proliferation. PSI is an informal agreement, in which 80 states, including Russia, currently participate, for performing joint measures to prevent the illegal movement of WMD and WMD components. Under this partnership, more than 30 exercises have been conducted to inspect cargoes at borders, in airports and on sea-going vessels. Interaction between the UN Security Council and PSI partner states would also appear important, because there is not yet any formal (or, especially, operational) connection between the two. Moreover, cooperation within the context of the Security Council resolution on Iran would facilitate a more effective implementation of the regime of legitimate UN sanctions and, therefore, would be an additional argument that could help convince the Iranian leadership of the seriousness of the intentions of the international community to use the existing potential for coercion. Of course, a mandatory condition here would be the preservation of the unity of the permanent members of the UN Security Council.

4. In working with Iran, it is worth shifting the center of gravity to the resolution of the issue of renewing cooperation between Iran and the IAEA along the lines of the Additional Protocol (1997) and fulfilling the conditions of this document:

a) in terms of psychology, it would be simpler to agree to the fulfillment of the Additional Protocol (1997); Iran signed this document, and for several years (until the beginning of 2006) observed its provisions voluntarily. (Over 80 other states subscribe to the Protocol.);

b) to a greater degree (than the suspension of uranium enrichment), this would facilitate the resolution of concerns regarding the existence of undeclared nuclear materials and activities in Iran, i.e. the rebuilding of international confidence in Iran's nuclear program, which is, incidentally, the objective of all UN Security Council resolutions on the Iranian nuclear dossier.

As regards the suspension of uranium enrichment and reprocessing, after the ratification of the Additional Protocol (1997) by the Majlis and the completion of national procedures for its ratification, it would have been logical for Iran to perform these activities under the control of the IAEA.

5. Providing information support for Security Council activities related to Iran. The UN Security Council has fairly frequently lost skirmishes with Tehran on the information front. For example, many states participating in the Non-Aligned Movement, especially Islamic countries, tend to support the thesis, promoted by Tehran, that the country has the right to unrestricted peaceful nuclear activities, and also cast doubt over the authority of the UN Security Council to demand that Iran suspend uranium enrichment activities as a mandatory precondition for the commencement of negotiations to resolve the problem of the Iranian nuclear dossier. The corresponding information efforts are needed by the UN to ensure sufficiently broad support in the world for measures taken by the UN Security Council, primarily with respect to the sanctions regime.

UN Security Council documents on Iran must be complemented with provisions ensuring information support for the actions of the Security Council: delivery, on a regular basis, of information on how states meet their obligations to implement resolution 1803, and on the work of the UN Security Council Committee monitoring sanctions against Iran; regular briefings and seminars for non-government organizations at the UN headquarters in New York and Geneva; creation of a website on these issues as part of the UN Secretariat web-site, etc.

6. Demanding a tightening of the NPT regime for Tehran; nuclear states that are permanent members of the UN Security Council should also convincingly demonstrate a responsible attitude to their own obligations under the NPT. They must promise to seriously engage the issues of their own nuclear disarmament, revive (restart) the negotiations process on further restrictions and reduction of strategic arms stockpiles, while the RF and the USA must make progress in developing new agreements to replace the START-1 Treaty, which expires in 2009. This would also make it easier to reach an agreement with Iran, providing a framework within which Iran could continue its nuclear activities under the control of the IAEA.

7. Focusing on the restoration of effective IAEA safeguards. The existing record of Iran's non-compliance with the UNSC resolutions does not provide a convincing answer to the question of which way of responding to the actions of the Iranian authorities is more productive (sanctions, posi-

tive encouragement, or some combination of the two). Counterproductive extremes: on the one hand, alarmism and alarmism-inspired ultimatums, demanding the "isolation" or "punishment" of Iran and attempts to resolve issues that bear no relation to guarantees of observing the NPT regime (for example, attempting to secure a regime change), and on the other hand, self-complacency, carelessness and disregard for challenges undermining the nuclear non-proliferation regime.

An urgent issue is the use of a broader range of levers of influence, including those within the framework of the UN Security Council, as well as operational strengths, proportionality and information support for such approaches.

The objective of Resolution 1803 is to obtain sufficiently reliable guarantees of Tehran's responsible behavior in the nuclear arena, in other words, to ensure the exclusively peaceful character of the Iranian nuclear program. This is achievable by utilizing the political will of the UN Security Council members, as well as skillful negotiations tactics. Concerns regarding certain aspects of the Iranian nuclear program could be removed by means of patient multilateral diplomacy. The key objective here is Iran's accession to the Additional Protocol (1997) of the IAEA safeguards agreement, and its fulfillment of those obligations.

The current situation — a stand-off between the UNSC and Tehran — is fairly complex. Nevertheless, it does appear appropriate and realistic that an agreement can be achieved, according to which Iran would continue its civilian nuclear activities, subject to the effective IAEA safeguards regime, without inciting the suspicion and concerns of other countries. With the restoration of confidence on the part of the international community in the Iranian nuclear program (and this can be achieved in different ways), there would no longer be any need to completely ban uranium enrichment in Iran, and this country could engage fully in developing nuclear power, including the creation of components of the complete nuclear fuel cycle.

The UNSC dual-track strategy on Iran plays an important role in deterring nuclear adventurism.

Tehran has already been induced to comply with some of the IAEA's requirements, as regards the transparency of its nuclear activities. But to

be more effective, the international effort should be focused more precisely and take into account the changed circumstances.

The following option should be actively explored to resolve the current deadlock: to abandon the formula "no enrichment until outstanding IAEA issues are resolved" and focus instead on the unconditional restoration of the IAEA's safeguards and activities within the format of Additional Protocol Plus (transparency and confidence-building measures). The abandonment or restriction of the uranium enrichment program and other activities related to the nuclear fuel cycle should become a subject for negotiations, which may be promoted using both efficient sanctions and all available incentives.

The forthcoming 2009 presidential elections in Iran will offer opportunities for the Iranian positions in the nuclear area to evolve in favor of greater openness and readiness to take into account the concerns of the international community. This would make it possible, in the realm of international relations, to affirm the principles of multilateral engagement, reinforce the authority of the UN Security Council, and stabilize the global nuclear non-proliferation regime.



# Iranian Nuclear Deadlocks

## **Alexander PIKAEV, Ph.D.**

Vice-chairman of the Committee  
of Scientists for International Security;  
Head of the Department, IMEMO (RAS, Russia)

In the expert community the impression is becoming ever more persistent that all attempts to persuade Iran to assume a moderate position on the issue of its nuclear program run into a dead-end. As a result, many have begun to believe that we have reached some kind of "zero hour", when the great powers have to start thinking about alternative measures that could be applied to this country. It would appear, however, that despite the above-mentioned dead-end, it could be profitable to once again review the existing approaches and construct a more effective strategy, based on major adjustments of the previously-developed mechanisms and rejection of unproductive measures for resolving this problem.

## **The International Context**

Within the framework of the general context of the Iranian nuclear program, there are three sets of problems, two of which are linked to the international

context, and one that is linked to domestic policy developments in the Islamic Republic of Iran.

The first set of problems is dictated by the lack of unity among the members of the UN Security Council. Moreover, not only permanent members, but also non-permanent members of this body subscribe to different viewpoints, and some of these countries are working very hard to better understand Iran's position. Among these are South Africa, Indonesia and Vietnam.

Apart from the lack of unity, there is also a certain unwillingness among all the members of the UN Security Council to adopt far-reaching measures. For example, in the non-military sphere, it is unlikely that anyone would speak in favor of establishing all-around economic sanctions against Iran, as was done against Saddam Hussein's regime in the 1990s. As oil prices skyrocket to over 110 USD per barrel, it is unlikely that an oil embargo would be introduced against Iran. And Iran itself has certain diplomatic trump cards for preventing an undesirable development of events and for avoiding such sanctions.

As regards the prospects for military operations against Iran, the situation is highly unfavorable for those who would like to resolve the Iranian nuclear issue by military means. In the Near and Middle East, there is an understanding that the United States is weaker than ever, and that Iran has strong potential to destabilize the situation in Iraq, as was demonstrated during the fighting in Basra in the spring of 2008 between the pro-Iranian Mahdi Army and the al-Maliki government. Iran also exerts strong influence over Afghanistan, although it is currently taking a wait-and-see attitude there. Pro-Iranian groups were not included in the coalition that is currently governing Kabul. And if the right signal is sent by Tehran, it cannot be ruled out that the situation in Afghanistan will become even more acute. In the West of the country, another front could be opened against the international forces led by NATO. In addition, Iran managed to significantly reinforce its positions in the Middle East, especially close to Israel. This includes Syria, Hezbollah and, in part, HAMAS. Tehran has made it clear that they will also be ready to use this trump card, if any actions are taken against them that involve the use of force.

Of course, the question remains unanswered of whether Iran will indeed be able to make good on its threats. But, in any case, a number of analysts in Israel, the United States and Europe suggest that a missile and bombing campaign against Iran could seriously destabilize the entire Near and Middle East — from Palestine to Afghanistan. A ground operation is even less workable, as the United States does not possess sufficient troops for this. The U.S. armed forces are currently engaged in two wars: in Iraq and in Afghanistan; moreover, they are forced to support a fairly large presence on the Korean peninsula. Therefore, a wide-scale ground operation against Iran would require more military resources — and more political will — than is currently available,

It should be noted that the threat of war has in the past forced Iran to accept compromises. It was not by chance that the Iranians entered into negotiations in 2003 and froze their uranium enrichment program. They were clearly concerned that after the attack on Baghdad, military action would be taken against Tehran. The ease with which American troops overturned Saddam Hussein's regime clearly made an impression on Iran, too. However, as it became clear that the Americans had become bogged down in Iraq, and as the initially-successful military operation turned into an extremely difficult counterinsurgency war, without any prospect of victory, Iran's position began to harden. Currently, Tehran is very skeptical about whether a military operation against that country is a realistic possibility. And as the prospects of an armed campaign appear extremely distant, at least when looking from Tehran, this gives the Iranian leadership even greater confidence. Tehran, apparently, supposes that its aggressive rhetoric, aimed at the great powers and the United Nations Security Council, will go unpunished.

Thus, there is currently insufficient political will to introduce a truly harsh regime of sanctions against Iran, including an oil embargo. And, at least from Tehran's viewpoint, the USA has no capability to strike that country militarily, in an attempt to destroy Iran's nuclear infrastructure, or perhaps even its entire industrial and military infrastructure.

The second set of issues is dictated by the complexity of international dialogue between the great powers and Iran. In another part of the Asian



continent — on the Korean peninsula — diplomacy has achieved a certain level of success. Of course, there are also many problems in that region, and the success is very fragile and could easily turn into a misadventure. Nevertheless, some degree of progress has been achieved, and this was reached by means of a multilateral dialogue between the group of six geographical and geopolitical neighbors (G6) of North Korea and North Korea itself.

In the case with Iran, a highly complex construct can be observed. Not all of Iran's powerful neighbors are represented in the group of six major world powers that have answered the call to resolve the Iranian nuclear issue. For example, the dialogue is lacking participation by such an important geographical neighbor as India, which is one of the most important suppliers of petroleum to Iran. In this connection, when discussing the issue of introducing an embargo on supplies of petroleum to Iran, where there is an acute petroleum deficit, we should be listening to the opinion of New Delhi. Otherwise, it will be extremely difficult to achieve a practical solution in this area.

But of utmost importance here is the fact that this dialogue does not include Iran itself; unlike the example of the six-party talks with North Korea, here the G6 is not directly engaged in talks with Iran. That is, the G6 is planning and discussing certain decisions on the need to pass another UN Security Council resolution, as well as the character of this new resolution, and a package of incentives for Tehran. But this conversation is being conducted with Iran publicly, through the mass media, or via the High Representative for Common Foreign and Security Policy of the European Union, Javier Solana. These negotiations have so far lasted several years. In actual fact, the negotiations are "about negotiations", i.e. about the terms on which America could engage directly in negotiations with Tehran. But it is clear that Javier Solana, who has not inspired trust either in the United States or in Russia, has a very weak position to work from. In addition, in the European Union itself, there is no consensus on the Iranian issue, and no confidence that it is a good intermediary.

The EU has discredited itself after the unsuccessful conclusion of negotiations with the "eurotroika" (Great Britain, France and Germany, with the participation of Javier Solana) in 2005. These talks ended in failure not only

because of the unwillingness of Iran to compromise, but also because of the inability of the European Union to present Iran with sufficiently attractive incentives that could prompt it to continue observing the moratorium on uranium enrichment. The European Union then made a proposal that was unacceptable to Iran, and that did not contain a sufficient volume of the incentives that Tehran was hoping for. Subsequently, the Iranians had even less confidence in Javier Solana. The fact that in March of 2008 Tehran threatened to abandon talks with Javier Solana indicates that the Iranians were dissatisfied with the EU and do not ascertain any useful diplomatic mechanism in a dialogue with the Union, with the genuine potential to unblock the situation.

Iran is interested in securing specific concessions, not so much from the European Union, Russia or China, as from the United States. And it is precisely Washington that has no direct dialogue with Tehran. Therefore, it would probably be natural for the current six-party process — which, to be honest, makes little sense in the current situation — to be transformed into negotiations with Iran in a seven-party format. As the experience of North Korea has shown, there is potential for such dialogue.

It should be noted that the United States is holding talks with Iran on the situation in Iraq. But what is preventing them from expanding these talks to cover the nuclear issue? More than this, the stated position of the Bush administration claims that America is not against holding a direct dialogue with Iran. This would be a significant change in American policy. But it would be useful if these declarative actions were integrated into practice.

## **The Domestic Political Situation**

The third set of problems is the situation inside Iran. Clearly, it is already fairly complex. The reformers who, it would seem, were so close to taking power peacefully in the 1990s, suffered an overwhelming defeat at both the 2005 presidential elections and the 2008 parliamentary elections. The remains of this group have merged with a coalition of moderate conservatives, led by Hashemi Rafsanjani. The conservatives won, and the pro-Western

reformers found themselves marginalized within domestic political life in Iran. They played a positive role during the negotiations in 2003-2005, but after the election of Mahmoud Ahmadinejad, this part of the Iranian establishment found itself distanced from power, and if it is not subjected to actual repressions, it is at least under significant pressure.

Nevertheless, there are indications that within the conservative camp there are differences of opinion. Elderly clerics understand that their political days are numbered and they want to guarantee a smooth transition of power into the hands of a relatively younger, new generation. For this, they need external stability. These forces wield real power in Iran, and under the Iranian political system the leader is not a president elected by the people, but a spiritual leader — the Ayatollah Ali Khamenei. In Iran's government offices, there are no portraits of the elected president, and instead two other portraits are on display: the Imam Khomeini and the Ayatollah Ali Khamenei. Moreover, the functions of the president are not described with sufficient clarity, and clerics attempt to keep the secular administration under their control.

It is not surprising that President Mahmoud Ahmadinejad, a highly ambitious, young and radical politician, is not ready to accept such a status quo. He is attempting to consolidate his power, and from time to time this battle spills into the larger political arena. For example, the statements of Ali Khamenei are extremely moderate in tone, while the "temperature" of Mahmoud Ahmadinejad's speeches is very high. In principle, they are each delivering approximately the same message, but the difference in their rhetoric is fairly significant. There is an opinion that Mahmoud Ahmadinejad takes an aggressive, radical position on the Iranian nuclear problem and in Iranian foreign policy in general, in order to win propaganda points within the country, to make it harder for clerics to continue exerting control over him.

Now, on the eve of the 2009 presidential elections in Iran, the situation is even more delicate. To what degree will the clerics be willing to support the candidacy of Mahmoud Ahmadinejad; will they be working against him or not; will they attempt to put forward an alternative candidate against him?

In such a situation it cannot be ruled out that the rhetoric of Mahmoud Ahmadinejad will become more and more aggressive. The stakes are very high for him in this game. He is a fairly young leader, a representative of a new generation that has not received its share of the "pie" when property was divided after the Iranian Revolution. Most likely, he really does wish to drive back the "old guard" which, in the view of his supporters, has too much wealth and influence. If the current president wins the 2009 elections, then he could receive a strong popular mandate and become a genuine factor in another, more important election campaign — the re-election of Ali Khamenei himself. These elections are conducted by a small circle of the country's senior clergy, but if Mahmoud Ahmadinejad confirms his mandate in 2009, then the possibility of his influencing changes in the make-up of the Islamic spiritual leadership will be far greater, although he formally does not have the right to participate in these elections.

Unfortunately, the current delicate domestic policy situation in Iran is not conducive to greater moderation in Iranian foreign policy, but rather to greater radicalism. Mahmoud Ahmadinejad, of course, will continue to use radical rhetoric to mobilize his supporters, and his supporters, together with the clerics, are represented by the same conservative electorate. That is, he will attempt to attract supporters of the moderate conservatives by showing that he is young and strong, while the clerics, as they had eaten to repletion after the Iranian Revolution, are no longer carrying that cause, and the sooner they leave the scene, the better. This tactic has already won the president a number of major successes, and it cannot be ruled out that he will continue to use this tactic in the future. And, most probably, his statement about creating additional cascades of 6,000 centrifuges, issued at a very unfortunate time for Iran, shows that he is not ready to pack away his radical rhetoric. Meanwhile, the moderate leadership, which wants to avoid exacerbating the situation, either cannot stop him, or does not want to do so.

On the whole, the internal differences of opinion in Iran do not allow the country to form a single, integrated policy on resolving the crisis around its nuclear program. The different circles of the country's leadership have clearly been unable to reach a common opinion on this issue. This seriously hinders the achievement of a diplomatic breakthrough.

However, it is most likely that there is also no unity of opinion on the future development of the nuclear program, outside of the international context. That is, the division within the Iranian leadership is to some extent a positive factor, as it hinders the mobilization of national resources for the development of the nuclear program and for the creation of a nuclear bomb. If there is any hope that this will be avoided, this will be as a result of internal disagreement.

Here we can see a major difference with North Korea. The Stalin-type regime typically has a high degree of internal discipline, and there may be differences of opinion among the leadership during the decision-making process, but none whatsoever after decisions have been made. In Iran, meanwhile, there is a very whimsical combination of quasi-democratic processes and institutions, co-existing with a unique system of theocratic control. This prevents the creation of a single, integrated regime, similar to that in North Korea. The absence of a single, monolithic regime in Iran is a factor that seriously restricts the possible execution of large-scale military programs, where rigid coordination of the efforts of the entire state machine — in economic, political and military areas — is vital. Most probably, there is no such structure in Iran at the present time. It is possible that such a machine existed under the Imam Khomeini, and it could possibly come into being if Mahmoud Ahmadinejad established complete control over the Iranian state, but at the present time there is no longer — or not yet — such a machine.

## **Russia's Position**

Russia's approach to the problem of Iran is often governed by two — sometimes opposing — interests. First, Russia demonstrates a commitment to international regimes for the non-proliferation of nuclear weapons. Indeed, Russia does not have any interest in a further increase in the number of nuclear states in the world. It is unlikely that Russia is pushing for Iran, its largest southern neighbor across the Caspian Sea, to acquire such weapons. At the same time, Moscow has declared a commitment to ensure that the UN Security Council play a central role in the resolution

of international issues. The fact that Mahmoud Ahmadinejad has aggressively rejected the UN Security Council resolutions passed on the basis Chapter VII of the UN Charter, which were also signed by Russia, makes it simply impossible for Moscow to block the ongoing process of escalating sanctions, and forces it to remain within the framework of the six-party process, thus supporting the introduction of ever-harsher sanctions against Iran.

At the end of last year it seemed that Russia would find grounds to cease the further escalation of sanctions. But this did not happen, for a number of reasons, and Russia signed UN Security Council resolution 1803. An important factor here was, of course, Iran's hard line, and the unwillingness of that country to engage in diplomatic maneuvering, as well as the fact that it aggressively rejected Security Council resolutions.

A second issue is Iran itself, Russia's largest southern neighbor, which also played a very positive role in putting an end to the civil war in Tajikistan in the 1990s. The Iranians, together with Russia, aided the Northern Alliance in Afghanistan when it was single-handedly battling the Taliban. They ensured that Islamic countries were not too critical of Russia for excesses in Chechnya, and helped Moscow win the status of observer in the Islamic Conference Organization, which was an important gesture for the Moslem minority in Russia itself.

Just like Russia, Tehran is not happy with Turkey's intervention in the Caspian region, including the South Caucasus and Central Asia. An analogous situation can be seen in connection with NATO expansion: the Iranians find this to be a source of intense irritation, not unlike cooperation between NATO and the monarchies of the Persian Gulf. They are not happy that NATO is heading the operation in Afghanistan, and in 2007 that organization even held a conference on the expansion of NATO in Eurasia. This was the first such conference ever to be held in Iran, which indicates Tehran's serious concerns about these processes.

In Moscow many believe that Iran cannot be ignored as one of the factors of resistance to American penetration in the South Caucasus and Central Asia. The same opinion is probably widely held in Beijing. Moreover, if the balance of relations between Russia and the West changes, then the

balance of interests between nuclear non-proliferation and Iran's status as an important partner may also be subject to change.

It is no coincidence that President Vladimir Putin was the first to propose a summit of the Caspian states in Tehran in 2003, but subsequently blocked the summit until the end of 2007. It is clear that the visit of the Russian president to Iran would be politically incorrect, given the international disagreement over the Iranian nuclear program. But in 2007, as relations between Russia and the West deteriorated, he considered it necessary to fly to Tehran and, most importantly, did not link his visit to any conditions related to the Iranian nuclear program. For the Iranians, this visit was extremely important. Most likely, in the context of such a visit they were ready to offer significant concessions.

Consequently, commitment to the priorities of nuclear non-proliferation and the United Nations is, for Russia, that very factor that forces it to participate in international discussions of the Iranian nuclear program and agree to a policy of sanctions. In the beginning of 2006, few would have believed that Russia would sign three UN Security Council resolutions, each citing Chapter VII of that organization's Charter, and each containing sanctions against Tehran. The fact that Moscow took this major diplomatic step, creating obvious problems for its regional interests, indicates that Russia's commitment to nuclear non-proliferation and the United Nations is not just declarative, but entirely genuine.

Moreover Russia, of course, has to pay the price for participation in the process of imposing sanctions. The Iranians are highly dissatisfied with these circumstances, and the Iranian press is full of anti-Russian sentiments. Both Russia and China now have to pay the political price for supporting sanctions by the UN Security Council — a high price, considering the growing competition with the United States in the Caspian region. In other words, at this time Russia can no longer use the economic and political potential of Iran to realize its interests in the region. This is a serious problem for Russian diplomacy. It is no surprise that in Russia, many would like to exit the process of escalating sanctions against Iran. Similar sentiments can be observed in Beijing. China intends to invest tens of billions of dollars in the Iranian oil and gas industry, but all of these projects are also

limited, because of differences over the uranium program. Both Russia and China, of course, would like to cease the process of escalating sanctions, and to this end they are insisting that Iran accept compromises.

## **Differences between Iran and the G6**

There are three sets of disagreements between Iran and the international community. First, past nuclear activity: Iran, at one time, failed to declare a number of aspects of this activity to the IAEA, in violation of the 1974 agreement with the Agency on safeguards. This activity was exposed, and currently Iran, many believe, must cooperate with the IAEA and fully disclose everything that it has done, and continues to do, in this area.

The second set of differences is over transparency. Iran violated the safeguards agreement and now, according to the IAEA, a special international transparency regime must be introduced for Iran. This is the "Additional Protocol Plus", which would guarantee international inspectors access to all areas they request. In addition, Iran is required to give highly detailed responses on different aspects of its past nuclear activity. No such requests have been made with respect to any other states, including North Korea.

The form of control intended here is highly intrusive. The Iranians are prepared to observe the Additional Protocol (1997), and they are even prepared to temporarily offer more than is requested on some issues. Meanwhile, the Iranian Majlis passed a resolution, in which it rejected the possibility of ratifying the 1997 Additional Protocol before the Iranian nuclear dossier is transferred back to the IAEA from the UN Security Council. Therefore, there is a problem in Iran, related to "saving face". The Iranians have no particular objection to transparency, but they have not yet been able to reach any decisions about how to codify it. The issue of the possible ratification of the 1997 Additional Protocol is being discussed there, and in early 2008 the Majlis made a statement, declaring that it was ready to return to the issue of ratification, under certain conditions. Another possible line of action is also open: signing some other agreement or adopting some other measures that would ensure a reliable, intrusive transparency with respect to its nuclear program.



The third aspect is the question of the future of the Iranian uranium program, which potentially may evolve into a program to create nuclear weapons. The cessation of this program is also required by UN Security Council resolutions. However, certain nuances can be seen in the positions of the G6 countries in this area. They all insist that Iran unconditionally close its "dossier" on its past activities that were not declared to the IAEA and fully disclose all past and current activities.

Iran, incidentally, has accepted major compromises in this area. Of five key questions (according to the report of the IAEA Director General dated February 22, 2008), it gave responses to four major questions, and these questions, as stated in the report, "are no longer outstanding." Although the Agency will continue monitoring and verification activities, these issues are officially closed. One question remains, about the "green salt", and a number of other, minor episodes. Many of these are related to information that was provided to the Agency by third-party countries. These data have been questioned by Iran, and progress has not yet been achieved in this area.

Many believe that progress on the issue of past activity could not be achieved without sanction resolutions by the UN Security Council. Under the pressure of two Security Council resolutions, Iran was forced to engage in genuine cooperation with the IAEA at the end of the summer of 2007. Indeed, this cooperation was extremely inconvenient for the country, as it forced the disclosure of highly unattractive aspects of the country's past illegal activities.

Although the members of the G6 share a consensus on the problem of past nuclear activities, there are certain nuances in the positions of various countries. While Russia, China and some European countries would like for this "dossier" to be closed and favor an agreement between the IAEA and Iran, a number of other states, primarily the United States, are constantly bringing forth new facts and submitting new documents to the IAEA. Moreover, this is done at the last minute, literally several weeks before the report of the General Director is due to be submitted for discussion by the Agency's Board of Governors. This cannot be interpreted other than as an indication that these countries are not interested in this issue being closed. That is, for political reasons they want to prolong the discussion.

On the issue of transparency, unity is also apparent. All agree that transparency is necessary, and Iran is obliged to reach agreement with the IAEA on these transparency issues. However there are also certain other nuances in the details.

Finally, there is the problem of uranium enrichment. Here, it seems, we find the most serious differences of opinion. To a significant degree, this flows from the differing status of the three sets of issues from the viewpoint of international law. Past nuclear activity is a clear violation of both the international legal regime and the safeguards agreement reached between Iran and the IAEA in 1974. Consequently, this issue must be resolved unambiguously. Transparency is an important means of resolving the given issue. If there is no transparency, then there will be no confidence that the problem will be resolved and that the issue is truly closed. That is, the problem of transparency is inherently connected with the question of past nuclear activities.

The problem of uranium enrichment, from the viewpoint of international law, is more complex. Article 4 of the Nuclear Non-Proliferation Treaty not only permits non-nuclear countries that are members of the NPT to conduct peaceful nuclear activities (Iran, incidentally, makes constant reference to this fact), but also obliges nuclear states to help them conduct such activities. Although Iran violated certain provisions of the Non-Proliferation Treaty, on the whole there are no grounds for denying that country's right to perform enrichment. This is precisely the legal fact quoted by Tehran. And Iran is supported in this by almost the majority of non-aligned countries, which hold the majority in the UN General Assembly. Their collective opinion carries much political weight, and for this reason it would probably be incorrect to reject Iranian arguments out-of-hand.

In the G6, this dilemma was resolved by means of achieving a very fragile compromise. Iran still has the right to engage in peaceful nuclear activities, but it can perform them only once it proves that its past nuclear activities were pursued exclusively for peaceful purposes, i.e. only after the international community gains confidence that the Iranians are no longer engaging in any illegal activity. However, while in Russia it is thought that

in this instance there must be some kind of criteria, proving that Iran is no longer being deceptive, and that these criteria can bring about the closure of the past "nuclear dossier" and achievement of an agreement on transparency with the IAEA, the USA considers that in this instance there are no specific criteria, and that these problems must be resolved on a case-by-case basis. So, still, it is clear that this issue cannot be resolved quickly.

In other words, if questions of past nuclear activities and transparency are to be resolved in conformity with international law, as Iran committed certain clear violations, international law sheds no additional light on the problem of the uranium program. On one hand, the UN Security Council resolutions demand that Iran cease uranium enrichment. As a member of the UN, Tehran is bound to observe Security Council resolutions that refer to Chapter VII of the UN Charter. But on the other hand, the demands of the UN Security Council contradict the terms of the NPT, which allows Iran to engage in such activity. Such a legal conflict undermines the integrity of the system of international law and also incites the dissatisfaction of many influential developing countries.

In such circumstances, the failure by Tehran to meet the requirements of the UN Security Council to resolve issues relating to the country's past nuclear activities and transparency is absolutely unacceptable and demands additional, punitive measures. At the same time, the cessation of the uranium enrichment program should be achieved by means of diplomatic dialogue. Meanwhile, in exchange for a voluntary rejection of such enrichment, or for consent to restrict its scale, Iran could receive some economic or political compensation.

## **Possible Future Actions**

The international community should work robustly to ensure that Iran fully discloses its past nuclear activities to the IAEA and agrees to far-reaching transparency measures designed to guarantee that such violations will not be repeated in the future. The criteria for the fulfillment of these conditions must be the resolution of the key issues remaining for the IAEA, while the dubious data, presented to the Agency by Western states, with the obvious

goal of prolonging the process of resolving the outstanding issues between Iran and the IAEA, must not be recognized as criteria. In other words, Russia, China and other countries could state clearly what, for them, would constitute a sufficient resolution of the key questions, and also state that the majority of new data is secondary, and cannot serve as a basis for prolonging the process of escalating sanctions by passing new UN Security Council resolutions.

After resolving the key issues between Iran and the IAEA and achieving agreement between the two with respect to transparency, it is necessary to insist on the commencement of direct negotiations between Tehran and the G6 to settle the problems of the Iranian uranium enrichment program. During these negotiations, the opportunity to introduce new UN Security Council sanctions would be removed from the agenda, while sanctions established previously would remain in force. This would make it possible to maintain pressure on Iran, prompting that country to engage in serious dialogue, but not provoking it to launch ill-considered response measures if new sanctions are passed. Individual states must also demonstrate moderation, rejecting the introduction of additional unilateral sanctions. In the opposite case, opponents of unilateral measures would find it constructive to think of ways to reduce their impact.

If negotiations between the IAEA and Iran to explore past activities and transparency are prolonged through Tehran's fault, then UN Security Council Resolution 1803 must be fully implemented. This primarily relates to Paragraph 8, which permits the inspection of Iranian means of transportation, including sea-going vessels and aircraft, belonging to a number of Iranian companies, to prevent the transportation of materials and technologies banned for export to Iran under UN Security Council resolutions. Experience shows that sanctions begin to have an effect only after some period of time. Therefore, time would be required before the measures already adopted by the UN Security Council have an effect.

The adoption of new resolutions would appear to be counterproductive in a situation where the pre-election campaigns in Iran and in the USA could provoke those sides to take ill-considered and potentially dangerous actions. The prospects for resolving the uranium enrichment issue

will most likely open up only after the elections in these countries. Therefore, it would appear reasonable not to take any steps before this time that could worsen the dead-end situation that now surrounds the Iranian nuclear dossier.

# **Certain Aspects of the Iranian Nuclear Problem and Possible Ways of Solving it**

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Today, the Iranian nuclear problem is one of the most entangled issues of global politics. The future of the system of regional and global security, along with the regime governing the non-proliferation of nuclear weapons, will depend to a considerable degree on the settlement of this problem.

Before getting down to the topic in question, it is necessary to mention the following. Political scientists, orientalist and Iran experts may all be guilty of overlooking one, possibly fundamental point, namely the national psychology of modern day Iranians (primarily Persians as the ethnic group behind the building of the state). Much that affects relations between Iranians and the rest of the world is linked to this factor. To understand the politics of Iran and the actions of its leadership, it is necessary not least of all to take this national psychology into account. The Iranians' (Persians') present national psychology is a fusion of great power imperial Persian nationalism and Shia elitism. This fusion was greatly consolidated after the Islamic revolution in Iran in 1979. The founder of the Islamic Republic of Iran and spiritual leader of the Iranian people, the late Ayatollah Khomeini,

used to say that "our religion is our politics, and our politics is our ideology." This assertion undoubtedly attests to the religiously ideologized nature of the Iranian state.

In the new conditions of the Islamic state system and given the extremely ideologized nature of the state, the national psychology, to which I referred earlier, has become a genuine political force. Here in all likelihood lie the roots of the intransigence and the predisposition towards confrontation that can be observed in Iran's policy with respect to its nuclear program.

Still, there have of late been some changes in the actual national consciousness of Iranians. Whereas in the past the Islamic (Shia) factor was still the dominant element in their consciousness in keeping with the national psychology, today the nationalist factor is beginning to play a greater role. Whereas in the past there was talk in Iran of the great global Islamic "Umma" led by the Islamic Republic of Iran, today the talk is rather about a Greater Iran, i.e., a regional superpower. But how can you have a superpower without nuclear weapons?

It is precisely these nationalistic ambitions, undoubtedly strengthened by Shia ambitions, that are standing in the way of the emergence and development of the beginnings of compromise and tractability (and even simply pragmatism) in the policies of the Iranian leadership. How is it that the other nuclear powers have created a nuclear infrastructure, but we are not allowed to do so? How is it that Israel, India and Pakistan have become nuclear powers, but the great Persian nation is held back, not allowed to make progress or to develop modern high technologies?

Here in essence lies the psychological landmine that is preventing Iran from meeting the global community halfway.

It is no accident that the entire thrust of domestic propaganda in Iran is currently geared towards showing that the international community is opposed above all not to some very limited areas in Iran's nuclear program, notably those involving a dual purpose and mainly uranium enrichment, but to this entire program as a whole. In this way, the fact that these limited areas are a stumbling block in the negotiation process between Iran and the rest of the world is deliberately omitted. Iranian propaganda stridently

proclaims that the global community is trying to deprive the Islamic Republic, the great Iranian nation, of modern high technologies and to slow down its progress. Within the country a climate of virtually total support for the Islamic nuclear program has been created without any nuances or hues whatsoever.

However, all of this is not true of the Iranian political elite. Here there is no all embracing consensus on this issue.

As you are aware, the conservatives won the elections to the Iranian Parliament (*Majlis*) in March 2008. But despite this, an important point should be mentioned: Moderate conservatives and radical conservatives, led by President Ahmadinejad, are two different things. According to available figures, of the 290 deputies (it is true that elections were not held everywhere, and in some places there will be a second round) only 88 of them can reasonably be called supporters or followers of President Ahmadinejad or persons who share his views.

The difference between the moderate conservatives and the radical conservatives is evident not least of all in their views regarding Iran's nuclear program. Everyone is perfectly well aware of the extremist views of Mahmoud Ahmadinejad and his supporters. Those persons who espouse moderately conservative positions still see a chance for dialogue with the international community on the nuclear problem — dialogue able to get around the psychological and ideological minefields laid by the radicals.

It seems perfectly reasonable to stake one's future hopes on precisely these people, conservatives in their inherent ideological views but realists in political terms, including their views regarding the country's nuclear program. One of these representatives is Mr. Ali Larijani, the well known Iranian politician, former secretary of the Supreme National Security Council of Iran and the country's principal negotiator on nuclear issues with the international community. And he was the man removed from his post by President Ahmadinejad, most likely because of his "flexibility" in negotiations with Europe and with "the Six", the permanent members of the United Nations Security Council plus Germany. This man, a person of unquestionably conservative views, was one of the contenders for the post of speaker of the *Majlis* and, as even Iranian political scientists are now saying, is one of the contenders for



the post of president of the Islamic Republic of Iran in the elections scheduled for the summer of 2009. In this connection, one might mention the need to work with the group of moderate conservatives whose political views, while they might be similar to those of Ahmadinejad and his team, are more realistic and pragmatic when it comes to the nuclear problem.

Tehran's principal argument in its propaganda at the moment is that the entire Iranian nuclear program is strictly in keeping with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT); what is more, Iran is not in violation of a single provision of that Treaty. Countless statements have been made to the effect that Iran has no intention of developing nuclear weapons. Indeed, in 1979 there was a statement by Ayatollah Khomeini, who said that nuclear weapons and Islam were incompatible. And it is said in Iran that one of the reasons why the Iranians put the brakes on their nuclear program during the first decade of the Islamic Republic's existence was in fact this statement by Khomeini. But the main reason was that the United States and other Western countries withdrew from Iran, including from its nuclear program. Several years later, however, Iran's nuclear program was resurrected, and over the next almost 20 years Tehran, while a member of the International Atomic Energy Agency (IAEA) and a signatory to the NPT, began developments in the nuclear field in secret from the international community and the Agency itself. This created huge problems for the non proliferation regime.

These problems need to be resolved. But, all the various options for solving them are extremely complicated, ambiguous and multi layered. Let us look at two principal ways of solving the Iranian nuclear problem <sup>1</sup>.

The first is to recognize Iran's status as a nuclear power, i.e., as being in possession of nuclear weapons. Here we need to make the point that as long ago as 2006 President Ahmadinejad referred to Iran as a nuclear power, but he put his own interpretation on this assertion. Evidently, this term needs to be understood as meaning the following: A nuclear power is a country that has nuclear weapons.

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<sup>1</sup> What follows are the personal views of the author as to how to resolve the Iranian nuclear problem. These views do not, however, represent the ultimate truth, but are intended simply to contribute to the ongoing discussion of the problem under consideration. Furthermore, some of the ideas set out below have already been put forward by the author in other articles.

Of course, one could recognize this status for Iran, in which case the international community could, at first glance, relax, as it were. Perhaps the Iranian nuclear question would be removed from the international political agenda. But this is only at first glance. The fact is that the recognition of Iran as a nuclear power would be followed by events that are difficult to predict, although we can be absolutely certain that the consequences of such a step would be close to catastrophic. The NPT would become a mere scrap of paper, as would the United Nations Security Council resolutions on Iran, which President Ahmadinejad already regards as scraps of paper. This would change the entire current situation in the region and in the world. It would be followed by actions on the part of both regional and global powers that could do irreparable damage not only to the nuclear weapons non-proliferation regime, but also to the entire system of regional and global security.

The second way of solving the Iranian nuclear problem could be to force Iran to stop building the industrial infrastructure required for uranium enrichment. And here, too, in all probability, there are different paths that might be taken. The first path involves the "carrot", that is, winning over the Iranians with various financial, economic and technological preferential arrangements in return for halting the establishment of the complete nuclear fuel cycle, and providing the Islamic regime with international security guarantees against external aggression and internal collapse inspired by the outside world. The second path involves the "stick", that is, the pursuit by the international community of a policy of constantly tightening financial and economic sanctions against the Islamic Republic of Iran in response to its actions with respect to the implementation of United Nations Security Council resolutions. And, lastly, there is the use of military force. This might be of the most varied nature in terms both of form and content. However, actions involving force, regardless of who undertakes them, would lead to a regional or, quite possibly, even global disaster, involving various spheres and various aspects. Whole volumes of research could be written about the hypothetical disastrous consequences of a military strike against Iran.

It needs to be stressed that the recognition of Iran as a nuclear power or the resort to force should be seen as two extreme positions. They must, of course, be taken into account and analyzed. But purely in hypothetical terms.

For that reason, it would be natural and justifiable to focus primarily on two aspects: the "carrot" and economic sanctions.

Here, it would appear that, however strange it might seem, in the case of Iran the "carrot" today is not a particularly realistic option. Iran is no North Korea; it is a fairly prosperous country with close ties to virtually the entire world. What is more, the Iranian mentality that I referred to earlier would not make it easy for the Iranians to come to any kind of compromises now in response to preferential arrangements provided by the West. This is because, thanks to the total dominance of state propaganda in the Islamic Republic, such compromises would be interpreted in Iranian society as a betrayal by the leadership of the country and as its having sold out to "global imperialism and Zionism". The proud Iranian people would reject bribery. Here, it would appear, is the hidden principal reason for Tehran's far reaching ambitions and "nuclear obstinacy". Iranians are difficult people to bribe. So far. We stress — so far.

However, gradual financial and economic sanctions may have a positive effect in resolving the Iranian nuclear problem. I am speaking here not of general trade and economic sanctions or even of an embargo or a strict economic blockade, but of targeted financial sanctions designed to overcome the unreasonable obstinacy of the Iranian leaders in pursuit of their nuclear policy.

And this is why.

The Iranian economy is in a near crisis state of stagnation. A clear indicator of this was the gasoline crisis in the summer of 2007. The Iranian capital was the scene of rioting sparked by the introduction of gasoline rationing. Economists, including those in Iran, have no doubt that the crisis was the result of the ineffective policy of the Ahmadinejad government, including its nuclear policy. Indeed, it is the "nuclear policy" of the Iranian leadership that is leading to the country's isolation.

This is having a most negative effect on the economy. In 2007, inflation rose by 16% (some economists speak of 18-20%) as opposed to 12% in 2006. Prices for basic food products have increased by a factor of 1.5 and in some

cases tripled. (One kilogram of rice used to cost 150 tumans; now it costs more than 250. Meat used to cost 600 tumans; now it costs more than 1,000.) The cost of renting housing has doubled. The unemployment level varies according to different estimates; official figures put it at 11%, while according to the World Bank, it stands at 30%.

An important sector of the Iranian economy, black market trading with the United Arab Emirates and Turkey, has been shattered since Iranian banks are no longer able to finance it.

The Iranian banking system is collapsing. The largest bank in Iran, *Sepah*, has been on the verge of collapse as a result of United Nations Security Council resolution 1747 because of its support for the national missile program. In 2007, three other state-owned Iranian banks — *Saderat*, *Melli* and *Mellyat* — were excluded from the U.S. financial system. The bankruptcy of Iranian banks could also spread to dozens of private and state-owned companies.

At first glance, the United States does not seem capable of seriously hurting Iran economically, since it has had no commercial relations with that country for a long time. However, the leading Iranian banks that have felt the full weight of sanctions have up to now conducted their operations in dollars through U.S. banks, which for this purpose used so called U-turn transactions. This involves operations that begin and end outside U.S. territory. Operations of this kind will now come to an end.

In anticipation of this kind of development, some time ago the Iranians began to switch to other currencies, but it will still be inconvenient for them, to say the least, to cut themselves off from the dollar.

What is more, the hope in Washington is that foreign financial institutions will be unwilling to complicate their relations with the Americans and will avoid ties with the Iranian banks that the United States has declared supporters of terrorism.

Foreign banks have in fact recently begun to pursue an anti-Iranian finance policy. The German banks *Deutsche Bank*, *Kommerzbank* and *Dresdner Bank*, and three Japanese banks, along with such major global banks as UBS and HSBC, have begun to close accounts belonging to Iranian clients — both companies and private individuals.

For an economy that is highly dependent on oil revenues, these steps are extremely dangerous. It is becoming increasingly difficult for Iran to obtain loans and foreign currency and to maintain deposits abroad. Iran is gradually losing the ability to secure the necessary imports. Iranian companies have already been confronted with 20-30% higher import prices since Iranians have to hire middlemen in order to get around financial restrictions. Foreign investment, which is so necessary for the major oil production facilities, is minimal. Specialists believe that banking and financial sanctions are driving away foreign investors. As Mr. Kozhanov noted on the website of the Middle East Institute, the departure of investors from the Iranian market is dangerous for Iran, where funds are in short supply. This Russian analyst went on to write that certain Western organizations have already nicknamed Iran the "graveyard of uncompleted projects". A practice has emerged whereby foreign companies begin implementing the tenders they have won, but under the pressure of external factors do not see the project through to completion. The fact that the work frequently comes to a halt just when the basic equipment is being installed is leading some Iranians to see in this a conspiracy on the part of countries of the Euro Atlantic region. They believe that the West is exerting pressure on the Islamic Republic and is deliberately damaging its economy by forcing Tehran to spend money on projects that are doomed from the outset. A situation of this kind has arisen in the oil-extraction, oil-refining and petrochemical sectors, and it was one of the factors that led to the escalation of the gasoline crisis and the threat of a declining level of oil extraction in the future.

And this is actually what is happening. The sanctions are hitting, more than anything else, the principal branch of Iran's industry — oil. The five year plan for 2005-2010 envisaged foreign investment to the tune of 28 billion dollars for the construction of new oil refineries. In fact, only one billion dollars a year is coming in.

Recently, the managing director of the Iranian enterprise Pars Oil and Gas Company, Akbar Torkan, said that without substantial modernization, oil production in Iran will fall by 5% per year. As a result, there will be no way of overcoming the gasoline shortage. According to economists' estimates, up to 30 billion dollars will be required to revive oil refining and the

petrochemical sector, and with each year these figures will increase as the facilities grow older. Furthermore, an investment of at least 100 billion dollars will be necessary during the next ten years in order to increase production by one million barrels per day and to bring it up to five million barrels per day.

The high price of oil should have resulted in a boom; however, financial sanctions are preventing Iran from exploiting this unexpected revenue. Observers believe that the financial embargo and the associated contraction in investments are more effective than any other measures.

However, the fact is that other measures are also being applied against Iran. Some major companies have already broken off relations with Iran or are curtailing them. They include such major firms as Siemens, Shell and BP. And others will follow.

At the end of 2006, the Japanese firm Impex for all intents and purposes refused to participate in the Azadegan project. On October 22, 2007, the vice president of Lukoil, Mr. Fedun, referring to the sanctions imposed on Iran by the United States, said that his organization had been obliged to freeze its involvement in the development of the Anaran field. According to Lukoil's representative, Gazprom had also significantly limited its presence in Iran for the same reason.

The governments of Great Britain, France and Germany are exerting serious pressure on their countries' companies to reduce their contacts with Iran or not to enter into new ones.

At the same time, Chancellor Angela Merkel of Germany recently called for consideration to be given to the question of restricting trade relations between countries of the European Union (EU) and Iran as part of the international sanctions in response to Tehran's nuclear program.

This is an extremely dangerous omen for Iran. After all, in the first six months of 2007 alone, Iran's total volume of trade with the 27 members of the European Union amounted to 11.3 billion euros, with European exports to Iran standing at 4.6 billion euros and imports from Iran totaling 6.7 billion euros. It is clear that these countries primarily import oil from Iran and export high technology products to it. By buying Iranian oil, the EU is strengthening the Islamic Republic's financial standing through its euros,

and by selling it modern goods and high technology items, it is helping to modernize the country's entire economy.

Now just imagine: if these injections to Iran of funds and technology dry up, what kind of economic future awaits this country, which, as it is, is in the grip of an economic crisis? A process of curtailing relations with Iran is under way. For example, Germany, which is number two on Iran's list of major partners, has reduced its trade with Tehran during the first half of the year by 18%. According to the British Iranian Chamber of Commerce, Great Britain's exports to Iran fell by seven percent over the last year, amounting in monetary terms to 431.4 million pounds sterling.

Officials in the Iranian capital either maintain an Olympian serenity or claim that these sanctions are of no concern to them, cunningly having in mind assistance from China, which obtains more than 12% of its imported oil from the Islamic Republic and which, in the view of the Iranians, is capable of replacing the EU on the Iranian market. However, the November visit to People's Republic of China by United States Secretary of Defense Robert Gates, during which the subject of Iran was high on the agenda, gives reason to doubt the justification of the optimism displayed by Iranian politicians. What is more, China has for several years now as a matter of urgency been tapping into new sources of oil in Central Asia, Africa and Latin America so as to depend as little as possible on Iran and the Middle East as a whole. As a result, some Chinese banks have been limiting their ties with Iran.

China, just like all the countries of the European Union, naturally has an eye on the United States. Washington has launched an anti-Iran mechanism against that country's trade and economic partners. This is why Tehran's partners in the West and in the East have stopped to think. They can all count perfectly well and understand that it is better to get out of Iran and lose "a dollar" in return for staying in the U.S. market and holding on to "billions".

So we see, Iran's situation is far from enviable. Still, despite all this, it is perfectly clear that the current Iranian leadership will not make any compromises with the international community in the near future and will not simply give up its program to put into place the industrial infrastructure needed for uranium enrichment. And here, perhaps, the only effective in-

strument may simply be the escalation and tightening of primarily financial sanctions. Given this situation, it is worthwhile pointing out that most people in Iran will not be gravely affected by international financial sanctions. In the first place, we are not talking about banning the import into Iran of food products, medicines, everyday items, household appliances (including personal computers, which open up a window on the world for Iranians and provide access to objective information) and the like. Second, it is a question of suspending only major investments, and then only in certain branches of the economy: oil, gas and associated branches, plus the military-industrial complex, i.e., those structures that are state-owned in Iran. These branches are controlled by the supreme clerical and politica-military elite. Third, the financial and economic pressure will accordingly be felt primarily by state structures, high-ranking officials, and the bureaucracy, which is in some cases corrupt and involved in doing business with the state.

According to observers, the current relatively mild international sanctions are already hitting the economy hard, bringing the Iranian leadership to the verge of a nervous breakdown. When, however, as result of these unavoidable sanctions (which are primarily financial sanctions and are moreover coordinated among all the global players on Iranian territory), the Iranian economy sinks to such a level that the leadership is forced — if for no other reason than for self-preservation — to make the necessary decisions, it will then be time for the “carrot”. A very sweet “carrot” in the form of real and extremely favorable financial, economic and high-technology preferential arrangements for Tehran. It will also be important to offer political guarantees for the preservation of the Islamic regime. It is difficult to say what form this might take in legal terms, but it will be necessary to guarantee the Iranian leadership the security of its existence, primarily with regard to the United States.

And, finally, as many years of dialogue between the international community and Iran have shown, overly mild responses to the insults and threats coming out of Tehran and the laissez-faire attitude on the part of the international community to Iran's nuclear ambitions can lead to a kind of situation where, in keeping with the behavior of the tomcat in the well known Russian fable *The Cat and the Cook* (“Vaska the cat listens — but



keeps on eating"), Tehran will successfully complete its nuclear program and will be in close reach of the ability to make a nuclear weapon. But then the odds are that the United States and/or Israel will lose their patience. And at that point it will be the option of military force as a solution to the Iranian nuclear problem that will come to the fore. This in turn will have unpredictable consequences, quite possibly disastrous ones.





## **SESSION 2**



Chairman –  
**Vladimir DVORKIN, Professor**

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# The IAEA Work Plan and the Status of Iran's Nuclear Program

**Jon WOLFSTHAL**

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The nature, direction and purpose of Iran's nuclear activities continue to be a major issue of international concern. The United States and other permanent members of the UN Security Council remain concerned that Iran has pursued nuclear technology with a view to producing nuclear weapons. The findings of the much publicized U.S. National Intelligence Estimate, while controversial, confirm the belief that Iran had an active nuclear weapon development program until 2003. Whether or not that program has resumed, and what stage it had reached by 2003, remain uncertain.

International efforts to address Iran's nuclear program are now continuing on two separate but connected tracks. The first relates to the UNSC sanctions and binding resolutions that Iran suspend its enrichment program. These efforts were initiated as a result of the investigations of the IAEA and its determination that Iran has not complied with its safeguard obligations and was not fully cooperating with the IAEA in its investigations. The second track involves the ongoing efforts by the IAEA to determine the full extent of Iran's nuclear activities, including its procurement of uranium enrichment equipment and technology through the A.Q. Khan network, as well as other programs that seem directly relevant

to nuclear weapons research and development. The IAEA has a legal responsibility to investigate nuclear activities in any country subject to full-scope safeguards.

In August of 2007, Iran and the IAEA reached agreement on what is referred to as a "work plan" for resolving outstanding safeguard implementation issues. This work plan, negotiated between the IAEA and Iran, is part of Agency's ongoing efforts to fulfill its mandate to implement comprehensive safeguards in Iran. While all members states should support the IAEA in its mission of safeguard implementation, this negotiation and the scope of this work plan have created some concern in Washington and other capitals. It appears to some observers that Iran's cooperation in this area is designed to undermine the UNSC process and to absolve Iran after the fact of its past IAEA safeguard violations. Indeed, Iran has long sought to ensure that the entire nuclear portfolio is addressed only through the IAEA, which has no enforcement mechanisms of its own.

Whether and how the work plan will affect the UNSC process and larger international efforts to ensure that Iran does not pursue nuclear weapons and suspends its enrichment and reprocessing activities remain unclear. However, it would appear that any political statement by the IAEA that the outstanding safeguard issues have been resolved and that Iran has come into full compliance with its safeguard obligations would be a blow to efforts to ensure that Iran faces consequences for its premeditated and sustained violations of international nonproliferation agreements but, more importantly, to efforts to negotiate a settlement with Iran that leads to the suspension of its programs that could give it the means to produce special nuclear materials directly usable in nuclear weapons.

The Work Plan negotiated in 2007 covers 6 major issues. These include:

- 1) P-1—P-2 centrifuge procurement and development activities
- 2) Sources of contamination on non-nuclear equipment
- 3) Uranium metal conversion documentation
- 4) Polonium-210 experiments
- 5) Gchine uranium mine organizations and development
- 6) Nuclear-related studies, including

- a. Uranium conversion (green salts)
- b. High explosives testing
- c. Reentry vehicle design and work

1) Centrifuge Development — This effort gets to the heart of the current Iranian enrichment program and is designed to understand the full 18-year period during which Iran clandestinely and in violation of its safeguard obligations pursued this program. Iran recently announced that it had begun installing an additional 6000 "advanced" centrifuges. It is believed these are the P-1/IR-1 type centrifuge that Iran has been developing.

2) Traces of uranium have been found by IAEA inspectors on vacuum and other related equipment at sites not previously connected with the uranium enrichment program. These traces raised concerns that other non-declared activities may have been taking place, and possibly that Iran was already able to enrich uranium to high levels of U-235 concentration.

3) Iran claims that a document relating to the conversion of uranium into metal and the casting of uranium metal into hemispheres — something directly useful for the production of nuclear weapon components — was delivered to it by the A.Q. Khan supply network. It denies having asked for the document or having conducted any nuclear weapon-related activities.

4) Iran conducted irradiations and experiments to extract polonium 210 from irradiated targets in the late 1980s. Iran maintains this was a program undertaken by individual researchers with no connection to the Iran Atomic Energy Organization. Po-210 can be used both in radio-isotope batteries and in nuclear weapon production.

5) Gchine mine and milling — Iran has pursued uranium mining at the Gchine site, but the mine was organized in a way that raised suspicions about its purpose. Activities at Iran's uranium mines are critical to ensuring the absence of non-declared nuclear materials and activities in Iran.

6) Nuclear related studies — IAEA officials have received information from multiple member states about research, development and procurement work by Iran that would be directly relevant to a nuclear weapon production effort. These include specialized high explosives testing, development of a re-entry vehicle for the Shehab-3 missile system and work on

uranium conversion. Iran has rejected the documents and information laid out by the IAEA in these areas as baseless and fabrications.

Of these six areas, the IAEA has determined that 4 have been resolved and no outstanding questions remain. The two remaining areas open for investigation are the uranium metal document and the issue of nuclear-related studies by Iran. The uranium metal document has been addressed by IAEA and Iranian officials, and the IAEA is now working with Pakistan and other elements of the supply network to corroborate information provided by Iran.

The last set of activities presents a critical issue for both Iran and those states concerned about its past nuclear activities and nuclear intentions.

Iran appears to have adopted a strategy that hopes to resolve all outstanding questions about its past nuclear activities in a way that allows it to continue its nuclear activities and undermines efforts in the UNSC to sanction Iran or compel it to suspend or abandon nuclear enrichment and re-processing efforts. A key to this approach is obtaining a statement from the Director General of the IAEA that there are no longer any concerns about Iran's nuclear activities and that it is in full compliance with its safeguards obligations.

To pursue this goal, Iran has apparently decided to provide any information or evidence in its possession — in a responsive, but not pro-active manner — to address IAEA questions, even if these activities were linked to past illicit procurement activities. This seems a reasonable strategy, given that the UNSC has already sanctioned Iran and has called for the suspension of its enrichment activities. The past aversion to admitting its black-market procurement activities had been driven, in part, by a desire to avoid referral to the UNSC and sanctions. Now that these have happened, the costs of admitting its past activities in these areas has diminished.

The same, however, is not true for the remaining set of allegations. Iran has steadfastly maintained that it has never pursued nuclear weapons. The most recent IAEA report to the Board of Governors makes note of the fact that in a recent meeting between Director-general ElBaradei and Iran's Supreme Leader Khamenei and President Ahmadinejad, "the Iranian leadership stated that the country's nuclear programme had always been ex-



clusively for peaceful purposes and that there had never been a nuclear weapons development programme."

Should the information provided to the IAEA by members states on weapons-related work prove true, it would directly undercut Iran's contentions about the nature of its program. Such a determination would validate the long-held U.S. contention that Iran has been pursuing a military nuclear program and undermine the work Iran has been pursuing to atone for its past violations of safeguards. These efforts by Iran have all been focused on activities that are legally permitted under the NPT, but that have been conducted in violation of IAEA safeguards. Conceivably, these activities can be forgiven once Iran comes back into compliance with its safeguard obligations.

If Iran were found to have engaged in activities explicitly forbidden by the NPT, its standing would be significantly reduced and there would be little or no chance that it would be able to pursue its current nuclear activities without either punishment or international isolation.

It appears that the members states who have provided the IAEA with information on the outstanding issues, including, but not limited to, the United States, realized the damage that would be done if the IAEA were to give Iran what might be interpreted as a "clean bill of health" and led to recent efforts to share sensitive intelligence information on Iran's weapons-related activities. Thus, the remaining issues — which Iran refused to acknowledge and has denounced as baseless fabrication — could lead to a renewed stalemate in the work plan.

Key to resolving this potential standoff is developing greater cooperation and information sharing among the UN Security Council P-5, and especially between the United States and Russia. The two states have a long history of cooperation in nonproliferation and security measures and any agreement between the two states would help forge an even stronger international position vis-à-vis Iran.

# Policy Tools: Incentives and Disincentives in the U.S. Debate

## Robert NURICK

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This presentation is meant to provide the Working Group with a picture of the evolving U.S. policy debate, especially concerning the menu of incentives and disincentives currently under discussion. What is important, of course, is not so much the individual policy options as the way they are "packaged," and the reasoning behind them. With this in mind, one can identify several broad schools of thought about how to proceed.

A) military action. At one end of the spectrum is a school of thought often associated with (but not limited to) so-called "neo-conservatives" inside and outside the administration. It reflects a deep pessimism about the prospects for a diplomatic solution; in this view, the Iranian regime is absolutely determined to develop nuclear weapons, no plausible combination of carrots and sticks can be expected to divert it from that course, and the consequences of a nuclear-armed Iran would be horrendous and unmanageable. Proponents argue variously that: (a) military strikes could destroy most, if not all, known facilities, and thus have a significant impact on the Iranian program; and (b) the Iranian response would undoubtedly

cause trouble, but would not be markedly worse than the behavior we face anyway, and Iran's capacity for direct military retaliation could be moderated to manageable levels. Central to this position is the view that we don't know whether the Iranian regime can be deterred, and given this radical uncertainty the burden of proof should be on those prepared to accommodate a nuclear Iran.

Critics argue, in contrast, that military action would likely produce significant and potentially unmanageable policy challenges to the U.S. and the West — enhanced Iranian support for insurgents in Iraq and Afghanistan, disruptions of oil flows through the straits of Hormuz, and inflamed Muslim anger worldwide. Moreover, given Iranian determination and its level of technical expertise, one cannot assume that military strikes would do more than delay the Iranian program. In short, such strikes would be the beginning of military action, not the end of it, and the U.S. is simply not prepared for a long conflict with Iran.

At present, support for the military option is low, as it was even before the recent NIE was released. Hence, barring a dramatic and unexpected turn of events, military action against Iran seems unlikely, at least in the near and medium term. However, there is also little evident support for taking this option explicitly off the table, as it is widely believed that the possibility of such action can buttress diplomacy. Moreover, the underlying pessimism about the prospects for a diplomatic solution characteristic of this school is more widely shared, including by others who (for now) draw quite different policy conclusions.

B) sanctions. The Bush administration has pushed hard for the imposition of multilateral sanctions through the U.N. Security Council and has supplemented these with a set of unilateral measures. The UN Security Council sanctions — resolutions 1737 (December 2006), 1747 (March 2007), and 1803 (March 2008) — are by now quite wide-ranging: they impose travel and financial restrictions on targeted Iranian individuals and entities, seek to prevent export of and trade in sensitive equipment and materials, bar training of Iranian nationals abroad in areas applicable to nuclear programs, call for states to “exercise vigilance” on the activities of Iranian banks, and authorize inspections of cargo where “reasonable grounds” exist. But most are vol-

untary for member states and have no enforcement mechanisms. Through a set of executive orders, as well as the "Iran, North Korea, and Syria Non-proliferation Act" of December 2006, the administration has also imposed a set of unilateral sanctions directed against Iranian military, nuclear, and missile construction enterprises. The U.S. would like tougher, enforceable and (where possible) mandatory multilateral sanctions, targeted, for example, at the activities of the Revolutionary Guards and at investments in the Iranian oil and gas sectors, but thus far it has not been able to secure the necessary consensus for them. The administration, and any succeeding one, can be expected to press hard for a stricter sanctions regime.

C) incentives. Whereas the Bush administration was for some time highly reluctant to supplement sanctions with incentives for good behavior (John Bolton was famously quoted as saying, "I don't do carrots"), they have indicated that they are no longer opposed to the EU-3 plan. There are reports that the administration may be willing to support several elements of the June 2006 package, such as cooperation on a light-water reactor in Iran, with guaranteed fuel supplies, support for Iran's WTO process, and agricultural assistance. There is no sign that the U.S. administration would be willing to provide security guarantees.

There are two big issues in the broader U.S. debates about policy toward Iran. One is whether or not to agree to some degree of uranium enrichment by Iran, under appropriate safeguards. The rationale for this course is that we will not be able to prevent Iran from mastering the basic technology, and it is unrealistic to expect them to give up their right to it. We should thus accept the inevitable, it is argued, and forge an agreement that (a) limits the scope (restricts the number of centrifuges and bans the production of HEU and the reprocessing of plutonium); and (b) provides for highly intrusive international monitoring (at a minimum, full implementation of the Additional Protocol). The basic idea was proposed in a 2006 report by the International Crisis Group, and the reaction was generally negative. But the approach has resurfaced recently, in a proposal by Thomas Pickering, *et.al.*, calling for a multilateral approach — that is, to allow enrichment on Iranian soil, "jointly managed and operated...by a consortium including Iran and other governments."

Again, the proposal reflects the view that U.S. and Western leverage on Iran is declining, that Iran's determination is strong, and therefore that without an initiative of this sort Iran will simply proceed with enrichment on its own, without any external limits or oversight. It is getting more serious attention now than before, but it has been challenged on several grounds — namely, that it will be read in Iran as a significant concession, rewarding Ahmadinejad and his domestic allies; that it risks undercutting Britain and France, who have supported suspension, as well as allies in the Middle East who fear Iran's program; and that Iran may be unwilling to strike a satisfactory deal in any case. Some critics of this approach argue for stronger sanctions instead; others contend that progress will require a more comprehensive package, with both more effective sanctions and more attractive incentives.

This relates to the second large issue — whether or not to pursue some kind of “grand bargain” with Iran. Proponents are pessimistic not only that sanctions alone will work, but also that piecemeal or incremental incentives will be sufficient either. In this view, a central issue for Iran is U.S. hostility to the regime. Thus, as one proposal has put it, the nuclear issue with Iran cannot be resolved except in the context of an “overarching framework in which outstanding bilateral differences are resolved in a package.” The phases and conditional aspects of such a package would have to be carefully negotiated, but a central element would have to be some form of U.S. security guarantee to Iran.

This approach, too, has been challenged, including in a Council on Foreign Relations report a few years ago, most fundamentally on the grounds that the issues are simply too complex and too deeply rooted to be resolved in one package, and that attempting to tie them all together could easily prove counterproductive. All in all, the “grand bargain” does not appear to be gaining significant political support in the American debates. Key elements of the approach, however, are being given more serious attention — in particular, the idea that a stable outcome will need to address the security issue for Iran, and that the U.S. and its partners will thus need to engage Iran in broader security discussions.

# Iran and the U.S. Presidential Election

## **Robert EINHORN**

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Foreign policy is usually a minor factor in U.S. elections. With the exception of Iraq, this is true this time as well, at least so far. But this may change in the general election if Senator McCain, as expected, stresses national security, which he regards as his area of advantage.

It should be recognized that positions taken during a campaign may not always be the same as policies pursued once in office. Any new President will be influenced by his or her advisors and bureaucracy, and will also have to confront the real world.

I will try to describe the positions taken so far on the question of Iran's nuclear program by the three remaining candidates — Senators Clinton, McCain, and Obama. In looking toward the future, I can only speculate.

## **Differences Among the three Remaining Candidates**

Differences on Iran between Obama and Clinton are not major. Although Clinton criticized Obama's willingness to engage in "personal presidential diplomacy" as naïve, and Obama charged that Clinton's vote to label the Iranian Revo-

lutionary Guards Corps as a terrorist organization gave Bush a blank check for war against Iran, the substantive differences between the two Democrats are not major. The real differences are between McCain and the two Democrats.

## **Implications of a Nuclear-armed Iran**

However, the three largely agree on the implications of Iran getting the bomb. Obama calls Iran the "greatest challenge to American interests in Middle East in a generation." He says it's "far too dangerous" to have nuclear weapons in the hands of Iran's radical theocracy.

Clinton maintains that Iran "poses a long-term strategic challenge to the U.S." and is the country that most practices state-sponsored terrorism. According to Clinton, it mustn't be allowed to get nuclear weapons.

McCain says that the United States must not permit a government that espouses the destruction of Israel and pledges undying enmity to the U.S. to have nuclear weapons to advance its ambitions.

## **Use of Military Force against Iran**

All the candidates have explicitly said the military option should remain on the table, but there are some real differences on this issue.

McCain has said that the only thing worse than war with Iran is an Iran with nuclear weapons. But more recently he has stressed that "just because I'm worried about Iran doesn't mean I'm ready to go to war. I'm not." He has also called the use of force "a last resort."

Clinton co-sponsored a bill in Congress prohibiting the use of funds for military action against Iran without Congressional authorization.

Obama also co-sponsored that bill and has said that attacking Iran would be "a profound mistake."

## **On Direct Talks between the U.S. and Iran**

There are sharp differences between McCain and the Democrats on the question of the United States engaging in talks with Iran.

Obama favors beginning direct talks without the Bush Administration's precondition that Iran first suspend its enrichment activities. He says he is prepared to engage in presidential diplomacy at an early stage, with all issues on the negotiating table.

Clinton also drops the precondition that Iran must first suspend enrichment, but calls for a "carefully structured diplomatic dialogue" before personal presidential involvement in the talks. She also favors a broad dialogue with Iran, not limited to the nuclear issue.

McCain is prepared to negotiate, but says he opposes "unconditional dialogues." From what he has said to date, it appears that he is skeptical about achieving U.S. goals through negotiations with untrustworthy regimes such as Iran.

## **On the Use of Pressures and Sanctions**

All three believe that diplomacy must be backed by strong pressures, whether by the United Nations Security Council or generated outside the Council.

Clinton agrees with the 2007 National Intelligence Estimate that pressures can influence Iran's behavior and believes that the Iranians must have economic sanctions hanging over their heads if negotiations are to succeed.

Obama maintains that the U.S. must build a strong international coalition to pressure Iran and raise the costs to Iran of continuing its enrichment program.

McCain says the U.S. should organize its allies and Iran's neighbors to impose tough sanctions that could undermine Iran's economy and unleash popular resentment against the regime. He calls for restrictions on gasoline exports to Iran and a disinvestment campaign to isolate and de-legitimize the regime and force it to reconsider its behavior.

## **On the Use of Incentives**

On incentives there are significant differences between the two Democrats and McCain.



Obama believes the U.S. should offer economic engagement, security assurances, diplomatic relations, and membership in the WTO, and he says the U.S. should clearly state that it is "not hell bent on regime change."

Clinton says the U.S. should offer a "carefully calibrated package of incentives," including a more normal bilateral relationship with the United States. She would offer Iran a role in a "regional stabilization group" to help stabilize Iraq.

I have looked hard but couldn't find any references by McCain to incentives. He presumably would prefer to rely on sticks.

## **On Cooperation with Russia**

In my view, any positive outcome on the Iran nuclear issue would require having Russia as a partner. And here there may be a large difference between the Democrats and McCain.

All three candidates have been critical of Russian behavior, both at home and abroad.

However, the Democrats note the importance of finding common ground with Russia where U.S. and Russian interests overlap, such as on nonproliferation and counter-terrorism.

By contrast, McCain has taken a tough line on Russia. He favors a "new approach to revanchist Russia" and says that Russia should be excluded from the G-8. He says genuine partnership with Russia is only possible if it commits to being a responsible actor internationally and domestically.

## **Conclusions**

My guess is that on January 20th, when the new American President takes office, the status of the Iran nuclear issue will be much as it is today. Iran will still be defying the Security Council and working to master centrifuge enrichment. The IAEA will still be unable to close the Iran file but will not have found a smoking gun. The P-5 plus 1 countries will be sticking together, perhaps with a more attractive incentive package to offer Iran. Efforts will still be made to strengthen sanctions against Iran.

Iraq will be at the top of the foreign policy agenda of the new administration, but Iran will be near the top.

The U.S. approach on Iran will depend very much on who becomes President. If it's McCain, you can expect an early effort to build a strong international coalition to strengthen pressures against Iran. If it's Obama or Clinton, look for a similar effort to mobilize pressures, but also expect an early attempt to engage Iran directly and bilaterally.

But whoever is President, I don't believe the goals will be very different. He or she will seek to alter Iran's behavior in several areas, not just its behavior on the nuclear issue. He or she will call for stopping Iran's enrichment program in a verifiable manner. And in pursuing those goals, the new President will receive strong support in the new Congress and from the U.S. public.

# The EU and the Iranian Problem

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I would like to start my review of the European Union's approach to the Iranian problem by briefly revisiting history, at least to make the following thesis: had there been no Islamic revolution in Iran or had it taken place not in 1979, but later, we might have been dealing with a nuclear Iran today. Moreover, this might have largely happened because of European efforts: the pre-revolutionary Iranian nuclear program evolved primarily through cooperation with Europe. There were both technology transfer (the closed nuclear fuel cycle was based on French technologies) and training for Iranian experts in Europe, plans to procure nuclear reactors in European countries (twice as many as from the US), and purchases of uranium (not only from the USA, but also from France and Germany), etc. This is the first general comment.

The second general comment is that the EU is extremely concerned about the instability in the Greater Middle East (GME). It's close to Europe, and it is drawing even closer because of the dynamics of European integration (accession of Turkey would bring the European Union to the region's border).

The third comment is that Iran is the most stable country in this generally unstable region. This circumstance influences both European thinking and policy towards Iran.

Finally, Europe needs to act as a strategic player, and in this respect the Iranian problem confronts it with a choice to either unconditionally agree to everything the U.S. does and follow its policy, or develop a course of action of its own. The Iranian issue is one of the thematic drivers in the evolution of the European Union's common foreign and security policy. We are aware that this policy has seen both ups and downs, and it is obviously not on the ascent right now. But in the long run the Iranian case will serve to focus Europe on becoming a more independent international actor.

Iranian issues started to feature prominently on the European Union's agenda approximately in 1998 when the need for a "comprehensive dialogue" with Iran was articulated. Expectations for the fruits of such a dialogue have clearly proven to be excessive; nevertheless, until now the European Union has remained actively and rather energetically involved in the efforts to address the "nuclearization" of Iran.

Alexander Pikaev has expressed skepticism about the efforts of the EU's Troika and Javier Solana. But I would underscore something different: the Europeans hold half of the seats in the Group of Six; moreover, the European Troika plays a special role — it propounds certain initiatives or tries to do what wouldn't be appropriate or convenient for the other G6 members. Just look at its documents (or even the UN Security Council Resolutions): they contain lots of references to the Troika, European Union or EU's High Representative for the Common Foreign and Security Policy. For example, the latest UN Security Council Resolution contains a special assignment for Javier Solana to continue negotiating with Iran. In other words, at least in the formal sense the European Union is a sufficiently salient part of the big picture.

What could be said about the substantive as opposed to the formal part of the story? This is what the picture looks like in the "carrot and stick" frame of reference. The EU Troika favors a diplomatic solution, incentives and rewards. In this respect it converges with Russia and China, and to a certain extent diverges from the USA, whose preferred methods are coercion, punishment, and isolation. Nevertheless, despite its doubts about the effectiveness of the UN Security Council sanctions, Europe displays higher levels of readiness to apply them than Russia and China do.

This intermediate attitude has been typical of Europe for a long time. The failure that Mr. Pikaev has talked about is the result to a certain extent of frustrated expectations for the effectiveness of the more flexible approach than the one promoted by the Americans. European influence on the situation around the Iranian nuclear affairs reached its peak in 2003. This is when Iran agreed to sign the Additional Protocol, primarily because of the European Troika's efforts. The Troika and Iran also agreed that the Additional Protocol would be implemented prior to ratification. In a similar vein, Iran agreed to voluntarily suspend its uranium enrichment and spent fuel recycling activities. In other words, a number of specific changes were happening under the EU's auspices and initiatives.

But Europe made a mistake with its bet on the 2005 elections in Iran. Admittedly, many other actors did, but Europe built its plans on these elections. It hoped that the reformists would win and relinquish Tehran's traditional tactics of delaying the resolution of specific issues once agreement was reached, for example, on the definition of permitted activities, or the criteria for the "peaceful only" use of nuclear technologies, etc. However, the country's political arena changed in the opposite direction. This also dashed the hopes pinned on the European compromise initiatives.

Nevertheless, Europe has remained an active participant in the developments around Iran over the last two years. France, Germany, and Great Britain initiated Resolution 1803. As mentioned earlier, the Resolution asks Javier Solana to meet with Said Jalili, in other words, to resume the routine negotiating process ("business as usual"). It is worth recalling that the Iranians initially responded positively to this request. Only a few days later it was announced that there would be no further negotiations with Javier Solana and that the IAEA would be the only partner. I think this general context is illustrative not only of Europe's role, but also of Iran's growing self-confidence, its belief in standing firmly on its feet and having a strong bargaining position.

As for Europe, something else catches the eye. It looks as though Europe has been toughening its stance as a result of the frustration that came after the peak of expectations in 2005 and the frustration that came afterwards. For example, the EU's decisions on a number of issues go beyond the provisions of the sanctions.

Thus, the Security Council introduced some exceptions to its sanctions, but the EU adopted them without any exceptions. The sanctions urge governments to be vigilant when issuing visas to certain individuals, while the EU calls for no vigilance but simply bans these individuals from entering its territory. Resolution 1747 suggests limitations on supplies of weapons to Iran, but the European Union expands these limitations to a full embargo.

Some observers view this as an attempt to snatch the political initiative away from the United States and flaunt a tougher stance. In a similar vein, the European political landscape shows symptoms of new neo-transatlantic trends. First and foremost, this applies to the position of the new French leadership. The foreign minister, Bernard Kouchner, had the temerity to make tougher statements on the Iranian problem than American officials did. President Nicolas Sarkozy chose not to wait for UN Security Council decisions and called upon the European Union to introduce its own sanctions against Iran (i.e. to decouple them from actions taken on behalf of the UN).

It is worthwhile to consider another issue that is more sensitive for the Europeans than for the Americans. Theoretically, the best of the possible solutions for the latter would be to prevent the nuclearization of Iran, whereas the second best option is to place this process into a certain framework, making sure that the eventual nuclear Iran acts moderately and positions its nuclear weapons as only a deterrent, only a means of defense, only a last-resort security guarantee. It's not that this approach is unacceptable for the Europeans, but it is simply not compatible with their understanding of threats associated with the potential nuclearization of Iran. The primary threat for them is regional nuclear proliferation. They see a problem not with the Iranian nuclear status per se, but rather with the subsequent emergence of a nuclear Egypt, a nuclear Turkey, a nuclear Syria, etc. This would be a real headache for the European Union — a feeling that is easy to trace through documents, statements, and speeches over a relatively long period of time.

Any discussion of Europe's attitude towards Iran must also address the proposed "third site" of the American missile defense system to be deployed in Europe. More specifically, it has to take into account the impact of debates around this issue on the position with respect to Iran-related

nuclear matters. In this regard Europe features diverse and sometimes conflicting views. One view emphasizes geographical proximity: the Iranian nuclear missile threat is immeasurably more relevant for Europe than for the US. The other view highlights the fact that the Europeans are apparently not very concerned about the threat — the USA has to explain it to them (in order to secure support for plans to deploy radar and interceptors in Europe).

This is where President Nicolas Sarkozy appears again. I think that in our discussion we have already mentioned his recent speech at the launching ceremony for the fourth and final nuclear submarine in the French strategic fleet. He basically said that France and Europe couldn't afford to be confronted with the threat of a missile strike and less than half an hour of warning time. He named Iran as the country where the threat could come from and announced that a European response to the threat was needed. I want to draw your attention to this new theme. Up until then Europeans had been reluctant to talk about such a European response.

As on other subjects, the EU is divided over the Iranian nuclear issues. One only needs to look at the issue of security guarantees for non-nuclear State Parties to the Nonproliferation Treaty. The discussion has been going on since 1995. All the nuclear powers have made appropriate unilateral statements. But whenever the subject of such a document with full-scale international legal guarantees comes up, Great Britain says it supports this in principle, while France does not — because it doesn't conform to its traditional nuclear doctrine, its approach to the role of nuclear deterrence and conditions for its effective functioning.

The final comment will deal with the idea of banning new investment in Iranian oil and gas projects. It could be an effective tool to apply pressure on Iran. But I want to remind you that it could cause very big problems for Europe. Europe has significant exposure to the Iranian oil and gas business not in terms of actual involvement, but in terms of current economic and geostrategic plans. The Nabucco and other pipelines and planned deliveries are all part of a larger geostrategic context where Iran is a sizable center of gravity. The European Union is interested in access to alternative sources for its energy supplies, that is, alternative to Russia (in this sense Iran is ob-

viously a powerful contender against our Gazprom and the South Stream). It is no accident that recently the Europeans have visibly stepped up their energy diplomacy. Iran has either signed or is about to sign agreements with a number of countries, including Portugal, Austria, and Switzerland.

Objectively speaking, there arises a fairly serious contradiction. Geopolitical commitments and simple political dynamics impel the Europeans to take a tougher stance on Iran, while the energy lobby interests draw them in the opposite direction. The sanctions are hailed in the former case, and they should be lifted in the latter case, or at least new sanctions should be avoided. Iran should be seen as a major player in global energy games; it would be unreasonable to relegate it to the periphery (thereby cutting access to its resources).

Admittedly, these arguments are not easy to dismiss because they appeal not only to the logic of financial and economic expediency, but also to the logic of turning Iran into a more responsible actor in international political processes. The optimists hope that this path could produce more tangible results than direct pressure, new sanctions and arm-twisting against Iran in order to hinder its triumphant nuclear march. In Europe, such logic traditionally enjoys sympathy, and in this case the energy factor serves as its multiplier.



# China's Position on the Iranian Nuclear Program

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China's strategic approach to the Iranian nuclear problem is determined by two basic factors. The first factor is that China, which positions itself as a responsible world power, favors preserving the practice of nuclear nonproliferation and emphatically opposes Iran's nuclear weapons program. The second factor relates to China having long-term energy interests in Iran that are included in the People's Republic of China's National Strategy for diversifying sources of oil and gas supplied to China. Therefore, while China identifies with the international community on the issue of preventing Iran from possessing nuclear weapons, it nonetheless favors resolving the issue by diplomatic methods and recommends caution in applying sanctions — supposing that military operations or harsh sanctions may hurt China's energy interests in Iran.

There is another type of component in China's caution in relations with Iran: the Israeli factor, since Beijing — under conditions where the European Union and United States have embargoed arms exports to China — is trying to make up for its deficiencies in modern military technology by cooperating with Israel. In particular, China opposes Iran's admission to the Shanghai Cooperation Organization, supposing that this could bear the

risk of entangling China in a “completely unnecessary” conflict with Israel. From a tactical point of view, China does not wish to be ahead of the West on issues of imposing harsh sanctions and coercive measures against Iran, hoping to achieve competitive advantages in the energy sphere as a result of worsening relations between Iran and the West.

On the other hand, China does not desire to allow itself to be used by Iran as a political card against the West, which could impair its relations with the West and inflict economic and political damage upon Beijing. On this issue, China follows Russia's position, preferring to remain in the shadow of Russian policy on Iran while attempting to gain advantage for itself from the fact that Russia is the country that does the most to defend Iran from American pressure.

However, it should be noted that China will not fully support Russian policy on Iran — just as it will not fully support the approach of the United States. Beijing was driven toward this very cautious approach (to what extent must it support Moscow or Washington in their global power games?) by events that occurred around the turn of the millennium. At that time China had initially supported Russia actively in terms of opposing plans to create a non-strategic missile defense system and expand NATO, which caused a chill in its relations with the US. However, the Chinese consider that Russia let them down on this issue by softening its initially intransigent approach without informing Beijing about the change in its position in a timely manner.

The situation involving India's nuclear program developed similarly. China initially supported Washington's implacably strict attitude to Indian nuclear testing, cooling its relations with New Delhi. But here it also decided that it had been let down when the United States, without consulting Beijing, later began developing a partnership in civil nuclear applications with India.

As a result, China has been striving to play its own game on the Iran issue by not agreeing to dance to anybody else's fiddle, while not desiring to become any more active in the issue than the West or Russia are. In the future, China apparently intends to gradually begin playing a more active role in mediating international conflicts. However, for the time being this

activity is restricted to geopolitical spaces that border directly on China, primarily in the direction of North Korea.

It should be noted that before the middle of 2006, in developing its approach to the Iranian nuclear problem China actively studied Russia's position, trying to determine how far Russia would go to defend Iran in opposing harsh international sanctions. Its main conclusion was that despite Russia's efforts to protect its economic interests in Iran and its opposition to the use of severe pressure on Iran, Tehran is unwilling to compromise and has been dragging its feet in expanding the partnership with Russia, including cooperation in the area of nuclear power, which irritates Moscow. In this connection, Sergey Ivanov's statement in Beijing in late April 2006 became one of the key factors influencing China's position on this issue. Within the context of military cooperation within the Shanghai Cooperation Organization Sergey Ivanov declared that "Russia will not defend Iran in case of a military attack on it." Beijing understood this as a confirmation of the opinion that Russia is simply trying to sell high its position on Iran in global bargaining with the US. China, then, does not have to be a bargaining chip that simply raises the size of the transaction in Russia's favor.

As presented above, China's position on the Iranian nuclear problem was reflected in Beijing's ambivalent and cautious reaction to UN Security Council Resolution 1803 on 3 March 2008.

China supported the resolution, but tried to distance itself from the Iran-West conflict. In particular, Chinese analysts have opined that the resolution "cannot correct the deep-rooted contradictions between Iran and the West as led by the United States" (leaving China "so to say" ... "outside of the brackets" of this conflict), and that a "new game between them is inevitable."

Beijing emphasized that the resolution reflects the West's two-pronged strategy, which involves both "pressure and encouragement to negotiate," and, hoping to soften the matter, underscored that the resolution was "not meant to punish Iran," but to "facilitate a new round of diplomatic effort." Chinese analysts especially emphasize that the sanctions were not meant to be "against the Iranian people," and "do not affect commercial and financial contacts between Iran and China."

Beijing is making it clear that if the conflict develops, China will support the international community's increasingly severe actions, but it will insist on following the UN Charter exclusively. In this context, Chinese commentators note that if Iran will not comply with the demands of Resolution 1803 within the assigned ninety-day period, then the "UN Security Council (and therefore China itself) will undertake further due measures in keeping with Chapter 7, Article 41 of the UN Charter."

Thus, following Moscow's position, Beijing's position on Iran is gradually moving closer to the position of the United States and the West. However, China in the near future will not become an independent and active player in the Iranian nuclear crisis. Beijing will continue to work toward an essentially very complex solution of two aims: not to be the only country to refuse to support sanctions against Iran; and at the same time, not to spoil relations with Iran in pursuing China's national energy interests.

It is obvious that it will be simpler for Beijing to solve such a complicated task if it will constantly refer to the UN Charter and the unity of positions between the United States, Europe, and Russia.

# The New UN Security Council Resolution on Iran: a View from the Middle East

**Evgeney SATANOVSKIY, Ph.D.**

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The first Russian-Israeli security meeting recently convened in Israel to discuss two issues: Iran and Palestine. Leadership of security services and militaries in the Middle East has a pragmatic view on what will happen in the region in the near future. Everything that the expert community has been debating with respect to the Iranian nuclear problem is as relevant to the Middle East as the rabbi's advice in a famous story was relevant for curing the peasant's sick chickens. The rabbi made many good and diverse recommendations, such as building a triangular henhouse, painting it green, and so on. But all the chickens died. The rabbi's response was: "I am terribly sorry, I still have plenty of ideas." One can apply this story to Israel, a state that Iran has pledged to erase from the map. Naturally, the international community may interpret such promises as it sees fit. But for this nation, any nuclear charge, whether of a low yield, on a poor delivery system, dirty, imperfect, not dangerous to anybody but Israel, is an existential matter. A preventive strike against Iran may be morally imperfect, but the Israeli leadership takes the threats from Tehran more seriously than everybody else does. Maybe it would be morally right to start "mistreating" Iran only after it crossed a certain red line. From this point of view, once Iran dropped the bomb, the whole international community would intervene in the con-

flict as it did after the occupation of Kuwait. Just as the German aggression against the USSR in 1941 gave us a wonderful moral excuse to take Berlin, nobody could have vouched that our country would have survived until the moment when this would be feasible.

I believe that the preventive use of force to resolve the Iranian-Israeli confrontation is now in the cards because the price of this solution for Jerusalem is not commensurate to the threat inherent in the confrontation. As our Israeli colleagues believe today, Iran would be able to deploy its "device" two years from now; in fact, they assign a 30% probability to the military scenario, i.e. strikes, first, against a select ten to twenty Iranian sites and, second, against the general infrastructure of this country, before the end of George Bush's presidential term. In the next two to three years the probability of the military scenario would reach 60-70%; another year later it would be 80-90%. Russia, Europe, America and China may say whatever they want, but this is a real situation. As some of the Israeli colleagues point out, five years from now the Iranian delivery systems and "nuclear devices" will become sufficiently advanced for the problem of relations with Israel to acquire a practical dimension. Other colleagues who are directly involved in the dialogue with Iran believe that the aggressive tone of its leadership towards Israel and the threat to destroy this state are at the core of its dialogue with the international community in general and with the U.S. in particular. Unfortunately, it would most probably be impossible to secure a Cuban missile crisis-style outcome, whereby the confrontation would continue, but it would move away from a direct strike scenario by one of the parties against the other. Israel would accept this; under the auspices of the great powers it would be ready to sign a nuclear non-aggression treaty with Iran, but the Islamic Republic of Iran (IRI) would not sign such a commitment. Recent meetings with Iranians unambiguously confirm that they cannot engage even in theoretical discussions about dropping the Israel annihilation thesis from their rhetoric and propaganda framework. It is the core of the revolutionary ideology and the reason why the current Iranian regime remains in power and the Shah lost it.

The Iranian ambassador to Russia was even more outspoken at a meeting with Russian experts at the Institute for Asian Studies: "We cannot fol-

low the Shah in recognizing Israel and losing control over the country as a consequence, and we don't want to follow him. If we did it, our voters wouldn't support us and our opponents wouldn't vote for us. This path will only lead to the loss of power." The regime in Iran is stable, but the situation there is similar to what could have happened in the Soviet Union if it had been ruled not by Leonid Brezhnev, who was willing to embrace détente, but by Mikhail Suslov, who was eager to fight for the ideology because ideology was his top priority. The role of ideology in Iranian society is declining, and a "small war" with an external enemy, particularly against an external aggressor, irrespective of its result, would be a better outcome for the "true believers" than modernization, secularization, etc. People here in Moscow tend to talk like Europeans, technocrats, like people of the contemporary world, whereas the powers that be in Iran whose legitimacy stems from the revolutionary Islamic ideology feel that the pillars of their power are shaking underneath them, and they urgently need to fix them. This is why the Near and Middle East is preparing for war and not paying much attention to UN Resolution 1803: it's there, but it's sort of not there. It is preparing either for the Americans and Israelis to go to war against Iran, or for Israel to go it alone, which it is essentially prepared to do if America chose not to intervene.

Here are the arguments in favor of such an action: a strike involving missiles and bombs would not destroy the Iranian nuclear program, rather it would freeze it for at least 5 years (it's a lot of time: anything could happen in Iran in five years; for example, a new government could come to power). The Iraqi nuclear reactor was once bombed for exactly the same reasons. Something similar was happening at the time: Prime Minister Begin objected, doubted, and later deliberated .... The Israelis keep saying: had the Iraqi nuclear reactor not been bombed, Saddam Hussein would have been in possession of a nuclear bomb when he occupied Kuwait, with all the consequences for the future of the region and the whole world. Something similar is going on with Iran today.

As for the Arab world, it is no accident that Kuwaitis talk about Israel's ability to solve the Iranian problem. In this case Kuwait speaks on behalf of all the Gulf countries, including Saudi Arabia. Moreover, Kuwait rela-

tively often injects certain sensitive ideas into the media environment, and it has American military presence on its soil and special relations with the US. Representatives from the security agencies and militaries of the small Persian Gulf monarchies are currently engaged in informal meetings to coordinate actions with Turkey and Israel in case the Iranian crisis will follow the use-of-force scenario.

What would happen if Iran became a nuclear power? What would the nuclear race mean for the Near and Middle East? A number of countries in the region would aspire to acquire nuclear technologies, and there would be plenty of like-minded countries outside the region. The first candidates for nuclear status besides Iran are Turkey and Saudi Arabia. But there are also the Emirates, which are never mentioned in this context, even though their financial reserves are larger than those of Saudi Arabia and their relations with Iran are more tense, including a territorial conflict that will not be resolved even in the distant future. At the last Arabic summit in Damascus, Iran took a tough stance towards the UAE, telling them in no uncertain terms that it would not return their islands it had occupied. Egypt will try to go nuclear, too, to prevent Saudi Arabia from making a head-start; Algeria will inevitably follow because it considers itself to be an equally important player in the Southern Mediterranean. Morocco will try to follow suit, severely straining the ruling regime's resources. If one were to look at new and reestablished previously frozen nuclear research programs at universities and scientific research centers building reactors, entering into contracts with France or Russia, one would recognize all the players on the list. Israel also suspects Syria, but Syria probably does not need it: it will have the Iranian nuclear umbrella, but its relations with Israel are so complicated that they have come to the brink of a military conflict. But all the countries listed above will certainly enter the race for the nuclear bomb.

One should also consider the Pakistani factor, where internal destabilization could occur if President Pervez Musharaf were ousted. It may result in a "ready-to-deploy nuclear device" appearing on the market and being used not only by the Islamists. The situation is more than serious. Moreover, any analysis of how such events could potentially develop will not be driven by the choice between good and bad, but rather between very bad, a



catastrophe and absolute collapse. No matter what our "patriots" say, there is no doubt that neither Israel in its confrontation with the Palestinian radicals and Lebanese Hizballah, nor America with its serious problems in Iraq and Afghanistan, needs a war with Iran. But Iran is not a European power; it has been impossible to reach agreement with it, and it won't be possible. Its motivation is no different from that of China and the Soviet Union, both of which once aspired to build the atomic bomb: the motivation is to join the top ranks of nations as a regional superpower and aspirant to membership in the nuclear club. There is nothing one could offer Iran to make it abandon the nuclear program, because it is too vital for the future status of the nation. And there is nothing that can pressure Iran, because there is no threat that would stop it.

Could anything useful be done in this situation? Unblocking the Iranian nuclear crisis is a long-term effort, as was the case with *détente* and the USSR. One would need to work with the Iranian establishment in a targeted, selective, and laborious manner to engage it as much as possible with the global business community. One would need to consider and accommodate the financial interests of the children and grandchildren of the current leadership, including the conservatives, in the Expediency Council and other key executive and legislative structures of the Islamic Revolution. Forced democratization or external support of any political force will need to be renounced completely, because any political force supported by foreigners as liberal, democratic and progressive only stands to lose. This will be a very long process. It would undoubtedly be useful to engage Iran in all sorts of projects, including the Angarsk Center — this would be an opportunity to maintain and extend contacts while keeping "a finger on the pulse." The efforts of the UN and IAEA are also useful, because they may ultimately create some sort of an opposition (*la Fronde*) inside the Iranian establishment and dissuade some of its key representatives from believing that they can do whatever they want in Iran, because Russia and Europe would ultimately give up and acquiesce to Iranian actions. But I am afraid that for the time being the Near and Middle East is preparing for war.

Here is my final comment: it's an illusion to believe that Iran wouldn't dare to clash with Israel or America, because Israel and Palestine are home

to a large Arab population and the Al-Aqsa Mosque. Such illusions are inane. Iran fought an eight-year long war against Iraq, and it was Arabs who gassed Iranians on the fronts of the Iran-Iraq war. Iran has lots of handicapped veterans from this war who remember it well. The IRI has been extremely active in leveraging the Arab factor and exerting influence not only on the Shi'a communities in the Persian Gulf countries and Hizballah in Lebanon, but also on HAMAS. The latter is unprecedented — a religious Sunni movement, a branch of the Muslim Brotherhood in Gaza, is financially and militarily aligned with Iran. This may be a bigger threat to Egypt than Israel itself. This is why Egypt says that Israel may do whatever it feels like doing and deal with Iran any way it wants. By the same token, one should remember that Iranian holy sites include Kerbela, Samarra, and Nedgeff, but not the Al-Aqsa mosque. One shouldn't assume that the IRI wouldn't go to war against Israel because of the danger of damaging a Sunni mosque when in the past the Wahhabis destroyed everything they could around the Shi'a mausoleums in Mecca and Medina. Iran remembers this quite well.

This is what the situation is like. It is extremely pessimistic. Nevertheless, it is unlikely that Russia will intervene in this conflict in any capacity. One should concentrate on advanced emergency response planning, particularly in order to filter potential flows of Iranian refugees, and coordinate such plans with Azerbaijan. In case of a strike against Iran, the flow of refugees will go primarily through Azerbaijan to Dagestan or through the Caspian Sea directly to Russian territory.

# The Position of Tehran and a New UN Security Council Resolution on Iran

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In August of 2007, as part of the working program between the IAEA and Iran, six remaining issues were identified for subsequent development. At that time, the deadline of December 2007 had been set for the resolution of problems relating to plutonium, P-1 and P-2 centrifuges, traces of radioactive contamination of technical equipment in the so-called "technical university", experiments with metallic uranium and polonium, and uranium exploitation at the Gchine mine. Iran resolved the problems relating to three questions ahead of time, which was officially recognized by the leadership of the IAEA in November of last year. The outstanding three issues were illuminated in the last report of the IAEA Director General, which was published on February 22, 2008. The report contains extremely interesting conclusions, which reflect the most constructive approach Iran has taken in relation to cooperation with the Agency and the international community in the last 5–7 years.

To confirm this last conclusion, one can also refer to the above report of the IAEA Director General. For example, paragraph eleven of this document notes that "(t)he Agency concluded that the explanation and supporting documentation provided by Iran regarding the possible source of contamination by uranium particles at the university were not inconsistent

with the data currently available to the Agency." In paragraph eighteen, it is stated that the IAEA "concluded that the replies were not inconsistent with the stated use of the equipment." Paragraph twenty-four of the report says that "the Agency concluded that the explanations concerning the content and magnitude of the polonium-210 experiments were consistent with the Agency's findings and with other information available to it." Paragraph thirty-four of the report states: "Much of the supporting information provided by Iran had not been presented to the Agency during past discussions about Gchine" and have since been confirmed. Paragraph forty-three: "All nuclear material at the fuel enrichment plant remains under Agency containment and surveillance."

It is also appropriate to list a number of other statements in the report, which typify the position of Tehran on UN Security Council resolution 1803. In paragraph forty-four, it is stated that on January 13, 2008, when the IAEA Director General visited the Kalaye Electric enterprise, Iran transferred to the Agency information about a new generation of centrifuges, which are four times more effective than the centrifuges used previously. In paragraph forty-five, it is stated that all activities at the pilot uranium enrichment plant (meaning: activities to install new-generation centrifuges) also took place under IAEA containment and surveillance. Paragraph forty-nine states that all materials produced at the UCF plant "remain under Agency containment and surveillance." Paragraph fifty-two: "Iran has also responded to questions... on the issues raised..." In short, all of this confirms Tehran's constructive approach, against the background of an unjust policy, pursued by the six international mediators (five permanent members of the UN Security Council, plus Germany). It is for this reason that, in Iran, it is believed that the country's leadership has demonstrated and currently demonstrates good will, aimed at a constructive dialogue with the Iran Six and with the IAEA. Yet, the Iranians are in turn receiving no more than resolutions stipulating sanctions against their country.

Opinions were stated in the past, claiming that Iran should temporarily suspend uranium enrichment activities. But Iran, on its own good-will initiative, observed just such a moratorium for a period of three years. However, Tehran's attempts were, in fact, not met with any kind of positive ap-

preciation. As a result, the opinion has formed in Iran that, in actual fact, there was an attempt to play for time, without any desire for building constructive relations with Iran. At a certain point, the Islamic Republic of Iran ceased to meet its obligations to suspend the uranium enrichment process and announced that it was disengaging from this program. A new resolution has now been passed by the UN Security Council — Resolution 1803. It is, once again, anti-Iranian, as it introduces new sanctions against Iran. In Iran, it is seen as an outrageous injustice and an example of “forcing” a specific political solution by certain great powers at the highest level, using international structures as an instrument to achieve political goals and protect national interests.

In actual fact, this is indeed what things look like. Iran’s leadership declared: “State just one fact, one proof that we are in violation of any of the provisions of the IAEA or the norms of international law, or the provisions of the Nuclear Non-Proliferation Treaty”. The only authorized agency — the IAEA — has proved itself unable to do this: neither the last nor the previous report have contained anything more than unfounded accusations leveled against Iran.

The result is a vicious circle. In 2007, Iran was punished for the fact that six or more major issues were left unresolved. Subsequently, Iran resolved all of these issues. It would have appeared that there were no longer any grounds to punish Iran. But now Iran is told that they “have not fulfilled the Security Council resolution and have violated the UN charter.” And so on, and so forth...

All of this, in actual fact, is political nonsense. Iran understands that the hidden agenda is the desire of certain Western countries, led by the United States of America, to hinder progress for the Iranian people, preventing Iranian society from moving forward to benefit from the achievements of modern technology. Even enrichment itself, as everyone knows, does not violate any norms of international law or obligations, imposed on countries by the IAEA or under the Nuclear Non-Proliferation Treaty.

A clear impression is thus formed, that the USA has a definite interest in preventing the situation in Iran from remaining stable. At the same time, the countries of the West have no interest in there being a conflict in the

region, as Iran is a key "player" in the energy sector, and any conflict in this part of the world will bring unpredictable consequences. In addition, the USA and its closest partners have no interest in the development of the Islamic Republic of Iran, with the associated flow of investment into the country. In this connection it is of no small significance that in this situation Russia offers greater opportunities for active participation in trade and economic activities, in cooperation, and in energy issues. The economic factor, in my opinion, is in no way secondary and actually plays a very important role. Thus, one can conclude that as long as America cannot cooperate with Iran, they have no desire for other countries to have closer ties with the country, as there are certain niches which, once they are occupied by promising, long-term projects, will be very difficult to attempt to reoccupy in the future. In order to achieve such goals, the situation is being destabilized and colossal pressure is being brought to bear on the IAEA and the European countries.

Very recently, the leadership of the European Union proposed a major trade and economic package to Iran, in exchange for suspension of any uranium enrichment activities on its territory. But Tehran's leadership rejected this offer. The reason is that many in Europe and in the West do not wish to understand the following: uranium enrichment is not some kind of *idée fixe* for an Iran that is pursuing military objectives, as it tries to bring the country to a level where other countries will have to face-off against Iran, the nuclear power.

Even if the necessary technologies do appear in Iran, for Tehran there is no practical sense in commissioning and using powerful nuclear weapons. In fact, this is an impossibility. In this connection, the assertion by Alexei Arbatov is of value: that the world community could possess many different mechanisms, if it has a genuine interest in doing so, designed to control the development of Iran's nuclear program.

Some time ago, Russia offered Iran the chance to produce and enrich uranium on Russian territory. At that time the rigid, uncompromising position of Russia — denying access to Iranian experts, not permitting Iran to enrich even the minimum volume of uranium on its territory — led to the collapse of negotiations and the stalling of any other negotiations on this issue.

Currently, a very reasonable idea is being promoted, to create in Iran an international uranium enrichment center, with international founders. In this case, Iran would become one of the co-owners of such a center, and the management of the center would be performed by the IAEA. The functioning of such a center could be linked to Article four of the UN Charter, or some other international mechanisms, under which it would be unthinkable for Iran to even consider using any excuse to get rid of international experts. If this idea were to be realized, the international community would have a genuine opportunity not only to monitor quality and the development of the Iranian nuclear program, but also to participate in this process. In addition, a great number of other issues would also be automatically resolved.

It should be noted that no sanctions are actually able to resolve the Iranian nuclear problem. Currently, some say that economic sanctions should be introduced, denying Iran foreign investment. In the opinion of the authors of this idea, such a measure would render Iran more obedient. This is utterly untrue, as any sanctions would make Iran a less vulnerable country, as it would have to become more and more self-sufficient. Of course, sanctions will have an effect on the economy of Iran, but the Iranian people understand well the deep injustice of this move. The West desires destabilization in Iranian society, but it is getting the opposite reaction: the nuclear program has become the Iranian national idea.

The recent Iranian parliamentary elections showed that Mahmoud Ahmadinejad has lost some of his strength as the undisputed political leader, as there are now more supporters behind the president, but there are also more supporters for reformers in parliament. The reason for this is that conservatives in Iran went to the elections to support two different political forces: a united front of conservatives and a coalition of conservatives. New political heavyweights have also appeared, that could easily make bids — starting from a position of equal strength with the incumbent — for the Iranian presidency in 2009.

The country's new president may turn out to be far less rigid. But, most likely, Mahmoud Ahmadinejad will retain his political influence, as he has every chance of being re-elected for a second term.

And one more factor is also important. Iran has an extremely powerful energy program, which is linked to the future development of the country's economy. With such serious and impressive plans, it would be incorrect to say that Iran's only ambition is to become the leader in the Islamic world, or among oil-exporting countries. In order to realize such plans, it would be necessary to possess the complete nuclear fuel cycle. Thus, Iran's attempts to gain uranium enrichment technologies can be seen as wholly justified and understandable.



# Israel and the New UN Security Council Resolution on Iran

## **Uzi ARAD, Professor**

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## **Background**

**Adoption of Resolution 1803** — On March 3, 2008, the United Nations Security Council adopted Resolution 1803, reiterating the demand that Iran cease its sensitive nuclear activities. The resolution was supported by virtually all members of the UN Security Council (with only Indonesia abstaining). Resolution 1803 reinvigorated the sanctions adopted in the earlier resolutions, and added a call “upon all States to exercise vigilance” regarding financial commitments to trade with Iran, and “to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Sedarat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation of sensitive nuclear activities, or to the development of nuclear weapon delivery systems.” It also called on all States to “inspect the cargoes to and from Iran, of aircraft and vessels, at their airports or seaports, owned by Iran Air Cargo and Islamic Republic of Iran Shipping Line, provided there are reasonable grounds to believe that the aircraft or vessel is transporting goods prohibited under this resolution (or the previous ones)”.

**Iran's reaction** — to resolution 1803, was outright rejection and an outburst of vitriol against any and all support for sanctions, particularly targeting the EU members. Iran's President Ahmadinejad warned that the international community would receive a "bloody nose" for its impertinent attitude towards Iran.

**Iran's continued nuclear progress, and events in connection with Iran's "National Day of Nuclear Technology"** — Iran has been expediting the installation of centrifuge cascades of the advanced "IR-2" type, capable of enriching uranium much more efficiently, and much sooner (2-3 times faster), than the "P-1" centrifuge model, of which 6,000 have already been installed at the Natanz facility, according to Iran. The "IR-2" centrifuge is based on the more advanced Pakistani "P-2" model, but incorporates state of the art carbon-fiber components, including the rotor. Some reports state that Iran has already installed two 164-centrifuge cascades of over 300 centrifuges of the more advanced type. Iran's actions to expand and to expedite its centrifuge enrichment activity — in defiance of the international community's position — are an increasingly urgent source of concern, in terms of an earlier extensive evolving Iranian capability to acquire weapons grade uranium.

Since April, the P5 + 1 + EU have offered Iran a significantly enhanced incentives package designed to convince Tehran's leadership of the advantages to be gained by reversing course on its sensitive nuclear activities, particularly enrichment. Implicit in the enhanced incentives was the threat that if Iran did not accept the offer, the international community would act to increase pressure, including by the adoption of more comprehensive UN Security Council sanctions resolutions. Sadly, Iran has by and large ignored and rejected the enhanced incentives and insists that its enrichment program is non-negotiable; thus, an escalation of tensions in the crisis appears inevitable.

## **For Consideration of the Luxembourg Forum Workshop: the Next Steps**

The Tehran leadership is unimpressed with the sanctions included in UN Security Council resolution 1803. It rationally assesses that they will have virtually no effect on Iran's ability to proceed apace with centrifuges,

enrichment, the construction of the heavy water reactor at Arak, or indeed any significant portion of Iran's ongoing commercial ties with the outside world — witness the recently signed multi-billion dollar energy deals with Austria (an EU member-state) and Switzerland, as well as continuing contacts with international energy conglomerates. Germany continues to be Iran's major trading partner.

It is regrettable that the interim between the adoption of resolutions 1747 on March 24, 2007, and 1803 on March 3, 2008, was so long. It is clear now, as could have been, and indeed was, predicted, that Iran never intended to be responsive to the conciliatory gestures on the part of the international community representatives, such as the EU and the IAEA, or other initiatives designed to achieve an early diplomatic solution of the crisis without escalating sanctions. It is with sorrow and alarm that it must be stated that the intolerably long hiatus in firm international action allowed Iran to expand and expedite its enrichment capability to the precipice of impending disaster — a much sooner than anticipated ability to acquire weapons grade material. Similarly, Iran exploited the interlude during the extension of the P5 + 1 + EU enhanced incentives offer of 2008. We can no longer tolerate such long intermissions in the gradual increase of pressure on the Islamic Republic's leadership.

Sanctions should move rapidly and in a most determined fashion towards effective measures that will shock Tehran into reassessing the benefits and costs of continuing to pursue its current course of non-compliance. Sanctions must be sanctions that are not just aimed at proliferation-sensitive activity and individuals who are invulnerable to the measures implemented so far (such as freezing foreign assets of individuals who have no known foreign assets, like the IRGC High Command). Export controls over dual-use items have been in effect for years, and sanctions repeatedly reinforcing them have little added value. It is time for serious economic sanctions, and the issue of oil sanctions must be broached.

The Iranian leadership believes that the international community will be deterred from implementing oil-related sanctions, and that those are the only significant sanctions that might force Tehran to re-think the current course. Ergo, Iran's leaders believe that any other kind of sanctions are

immaterial to its considerations and can be well handled, while oil-related sanctions will be fended off. Oil sanctions must be weighed, including the restriction of Iran's oil exports and the limitation of its import of petroleum products, such as gasoline.

The best way forward is to expedite the adoption of a UN Security Council resolution that will impose comprehensive sanctions (excluding, of course, food and medicine). The proliferation of weak and ineffective resolutions on Iran so far has done severe damage to the effort to achieve an effective diplomatic solution and increasingly raises the specter of a last-choice resort to more dramatic means. It is now time that Security Council resolutions have an impact. Otherwise, the world will fast approach a critical crossroads when a decision will have to be made between two unbearable evils: use of force to prevent Iran's acquisition of nuclear weapons; or, the default option: accepting an extremist, possibly undeterrable, nuclear-weapons-armed Iran, and the cataclysmic collapse of the international non-proliferation norms and structure.

# Tehran's Response to UN Security Council Resolution 1803

## **Anton KHLOPKOV**

**Executive Director of the PIR Center (Russia)**

Iran considers UN Security Council Resolution 1803 to be "political and illegal" because experts in the Islamic Republic of Iran believe that the situation around the country's "nuclear file" should be evolving in the opposite direction — not towards tougher sanctions, but towards returning the file to the International Atomic Energy Agency — given the noticeable progress, such as better transparency in the Iranian nuclear program, made in the implementation of the framework of the Work Plan, which aims at "resolving" the outstanding issues between the IAEA and Iran. On 21 August 2007 in Tehran, Javad Vaidi, Deputy Secretary of the Supreme National Security Council of Iran, and Olli Heinonen, Deputy Director General of the IAEA, finalized the latter document, which includes a list of questions the parties agreed to clear up step-by-step. Key elements of the Plan are as follows:

- present issues (the uranium enrichment program and the safeguards approach to it, the construction of the heavy water research reactor in Arak, the designation of new inspectors to implement the safeguards in Iran, the issue of multiple-entry visas to inspectors and staff);
- past outstanding issues (spent fuel and plutonium separation experiments, P1-P2 centrifuges, the source of HEU contamination in processing equipment, uranium metal experiments);

- other outstanding issues (polonium extraction experiments, uranium mining at the Gchine mine);
  - alleged studies (the Green Salt Project to convert uranium oxide to uranium tetrafluoride, the high explosive testing, including testing of high voltage equipment for the initiation of detonators, warhead design for the Shahab-3 missile).

One should consider the wording of Iranian commitments to the latter item: "As a sign of good will and cooperation with the Agency, upon receiving all related documents, Iran will review and inform the Agency of its assessment."<sup>1</sup> Iranian experts and diplomats believe that all the issues listed above were resolved as reflected in the recent report by IAEA Director General Mohamed ElBaradei. For example, the 30 August report by the Director General refers to the following issues as closed (INFCIRC GOV/2007/48):

- designation of five additional IAEA inspectors;
- issue of one-year multiple-entry visas to 13 inspectors of the Agency;
- traces of the HEU contamination in processing equipment (partial resolution).

However, on 22 February 2008 (INFCIRC GOV/2008/8) the IAEA Director General reported the following issues as resolved:

- source of contamination: "The Agency concluded that the explanation and supporting documentation provided by Iran regarding the possible source of contamination by uranium particles at the university were not inconsistent with the data currently available to the Agency. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify this issue as part of its verification of the completeness of Iran's declarations."

- polonium;
- the Gchine mine.

Moreover, Iran believes that the issue of IAEA safeguards in the enrichment program was resolved on the basis of the information transmitted to

<sup>1</sup> The full text of the Work Plan in the English language is available at [http://www.iaea.org/Publications/Documents/Board/2007/gov2007-48\\_eng.pdf](http://www.iaea.org/Publications/Documents/Board/2007/gov2007-48_eng.pdf)

the Agency and presented in the last three Director General reports. Iran holds a similar view on the "plutonium extraction" issue.

Additionally, Iran provided the IAEA with a copy of the 15-page document on the reduction to uranium metal and machining of enriched uranium into hemispheres received from a third country (Pakistan) and informed the Agency that it hadn't requested this document from the vendor. Based on this document, the IAEA sent an inquiry to Pakistan. Consequently, Iran considers the issue to be resolved, as it is now part of relations between the Agency and Pakistan.

As to the "alleged studies", Iran declared these allegations to be "baseless" and the information given by the Agency to Iran as "fabricated" (these Iranian statements are partially corroborated by documentary evidence). In their speeches Iranian diplomats draw a parallel between the information on the "alleged studies" provided by the USA to the IAEA and the documents provided by U.S. diplomats as justification for the military action against Saddam Hussein's regime, to convince the international community that Iraq had attempted to acquire uranium in Niger.

The Iranian leadership considers all outstanding Work Plan issues to be resolved in the last two Director General reports and believes that pursuant to paragraph 2, Section IV of this agreement the Agency has no other issues with respect to Iran, and that pursuant to paragraph 5 of the same Section that "the implementation of safeguards will be conducted in a routine manner." Iranian diplomats say: "We consider the cooperation with the IAEA under the Work Plan to be completed, but we intend to continue cooperating with the Agency in a regular manner." <sup>2</sup> Consequently, UN Security Council Resolution 1803 is seen as baseless and undermining the UN Security Council's prestige, particularly because Iran completed the Work Plan in 6 instead of the officially allocated 18 months.

Iranian experts also consider the proposals voiced by Western experts in addition to the previously agreed Work Plan to be discriminatory, in particular:

- to create Work Plan 2 (because "alleged studies" issues are not completely resolved) and close the Iranian file if Iran completed the second plan;

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<sup>2</sup> International Conference "Iran's Peaceful Nuclear Program and Activities: Modality of the Cooperation with the IAEA", Tehran, Iran, March 2008.

- to organize a special inspection commission in Iran “under an Iranian initiative (as a sign of good will), which will receive a UN Security Council “mandate” and conduct UNSCOM-style inspections on a significantly more limited scale.

In light of the above one shouldn't expect the Iranian position to change either on this issue, or in the future.

Western experts often refer to a different potential solution to the existing problem: offer Iran more technologies, including an international uranium enrichment center to be located in Iran, in exchange for more transparency in the Iranian nuclear program; in other words, accelerated cooperation in trade and economics in exchange for the ratification and implementation of the 1997 Additional Protocol by Iran. This option could be of interest to Iran, because it essentially supports the initiative to establish an international enrichment center in Iran, as announced in 2005 by President Ahmadinejad. However, it is unlikely that Iran would abandon its national uranium centrifuge enrichment research. In this context Iranian diplomats do not completely rule out potential direct negotiations with the U.S. on this issue.

It is worth mentioning that for all we know there is almost no serious disagreement in the Iranian elite on the issue of whether to continue developing nuclear power. The main areas of contention are how to develop relations with other countries on issues in the Iranian nuclear file and whether to resort to the kind of tough rhetoric and gestures favored by President Ahmadinejad and his government. One such gesture is arguably the statement made by the President on 8 April 2008 announcing that work would commence to add another six thousand centrifuges to the Natanz Pilot Fuel Enrichment Plant while three UN Security Council Resolutions (1737, 1747, and 1803) remain in force, calling upon Iran to suspend the uranium enrichment process.

It means that Iran is aware that the current situation around its nuclear file is a dead-end for the permanent members of the UN Security Council because, on one hand, the IAEA confirms that a number of issues with respect to Iran's past nuclear activities have been resolved, but, on the other hand, the UNSC continues to toughen sanctions against Iran. It is no se-



cret that for this very reason some of the Western capitals are now looking for alternative (vs. UNSC) solutions to the Iranian nuclear crisis. In response, Iran is trying to "strengthen" its position by announcing plans to build many thousands of new centrifuges when it has apparently stumbled over new technical obstacles in its efforts to build indigenous enrichment capabilities.





## **APPENDICES**

## **APPENDIX 1**

### **Memorandum of the International Luxembourg Forum Workshop on the Iranian Nuclear Problem**

On April 14, 2008 the Working Group of the Advisory Council of the International Luxembourg Forum on Preventing Nuclear Catastrophe had its regular meeting. The experts addressed the situation which followed the adoption by UN Security Council of Resolution 1803 on Iran's nuclear dossier on March 3, 2008.

The meeting participants acknowledged the lack of progress in resolving the Iranian nuclear crisis. Moreover, they noted that the situation had become more acute as Iran has continued to advance its nuclear program, despite four resolutions by UN SC (including three resolutions which imposed sanctions on Iran). These resolutions require Iran to suspend uranium enrichment and other activities related to nuclear fuel cycle until all issues are removed which have been raised by IAEA in connection with Iran's past activities in the area of nuclear and missile materials and technologies which did not comply with Iran's obligations under the NPT Safeguards Agreement.

All participants of the Working Group were concerned that the limited sanctions implemented up till now did not appear sufficient to convince Iran's leaders to comply with the UN requirements. Of greatest concern is the apparent strengthening of Iran's determination to continue its uranium enrichment and plutonium separation efforts. Iran's defiant reaction to UN SC Resolution 1803, against the backdrop of a declared increase in

the number of Natanz centrifuges from 3,000 to 9,000 was an apparent sign that additional efforts are required to obtain Iran's compliance, including considering tougher sanctions and more attractive incentives.

Excluding tougher sanctions on Iran and declaring the necessity to resolve the crisis solely by way of diplomacy only encourage Iran's leaders to drag out the negotiations. Thus Iran's leadership continues building up its uranium enrichment capabilities and using IAEA cooperation conditions to exert pressure on the UN SC and the global community.

The meeting discussed the positions and roles of major organizations and nations directly involved in the process, including the UN SC, IAEA, NSG, Iran, USA, Russia, EU, and China. The experts also considered the possibility of indirect or potential impact which can be caused by Israel, India, Pakistan, Japan, Turkey, Arab states in North Africa, Middle East, Central Asia, and the Persian Gulf.

The experts touched on the legal, financial, economic and energy aspects of the crisis and considered the impact of Iran's domestic political and economic context on the prospects of finding a solution to this issue. The meeting participants also discussed the theoretical possibility that a military campaign might be launched either under the aegis of the UN or beyond it. They analyzed in detail various unpredictable consequences which such a campaign may entail. However, the position was voiced that the option of military force should remain an option for policy makers and recognized that some might consider military force a lesser evil as compared with the emergence of Iran with nuclear weapons, and the subsequent spreading of weapon programs throughout the region and world.

The members of the Advisory Council Working Group believe that three possible options should be considered to find a solution to the Iranian nuclear issue.

**The first** possible course of action is for the global community to continue exerting pressure on Iran using the formulae "no enrichment until outstanding IAEA issues are fully resolved." In parallel, IAEA safeguards and activities should be restored in the format of Additional Protocol Plus.

An important tool for achieving these goals may become tighter sanctions imposed by UN SC and certain states in the investment, trade and other areas. At the same time, Iran should be offered a detailed list of more compelling and innovative political and economic incentives to comply with the UN SC resolutions.

**The second** alternative is to apply all the sanctions described above should Iran fail to comply with UN SC Resolution 1803 without offering any new political or economic incentives. The provision of such incentives may be considered only after IAEA safeguards and activities have been restored on the basis of the Additional Protocol with enhanced inspection capabilities.

**The third** option to resolve the current deadlock is to abandon the formulae "no enrichment until outstanding IAEA issues are removed" and focus instead on the unconditional restoration of IAEA's safeguards and activities in the format of Additional Protocol Plus, removal of outstanding issues regarding past violations and elimination of their consequences. The abandonment or restriction of uranium enrichment program and other activities related to nuclear fuel cycle should become a subject for negotiations which may be promoted using both all available incentives and efficient sanctions.

The meeting also voiced the opinion that, as Iran's leadership on numerous occasions assured the global community of the civil nature of its nuclear program (including by reference to Islam doctrine) as well as of its commitment to the letter and spirit of the NPT, the UN SC could adopt a framework resolution stating the possibility of collective actions as per Articles 41 and 42 of the UN Charter, should Iran fail to comply with its obligations (i.e. withdraw from NPT and proceed with nuclear weapons creation). Some members believed the third option should be proposed immediately, while others thought it was premature to abandon the "no enrichment" position.

The members of the Advisory Council of the International Luxembourg Forum who attended the Working Group meeting believe that the above options to resolve the current deadlock should be presented to the leaders of the major nations and international organizations.

## Members of the Advisory Council of the International Luxembourg Forum

1. **Viatcheslav KANTOR** *President of the International Luxembourg Forum; Ph.D. (Russia).*
2. **Alexei ARBATOV** *Head of the Center for International Security of the Institute for World Economy and International Relations (IMEMO), Russian Academy of Sciences (RAS); Scholar-in-Residence of the Carnegie Moscow Center (former Deputy Chairman of the Defense Committee of the State Duma, Federal Assembly – Russian Parliament); Corresponding member (RAS, Russia).*
3. **Vladimir BARANOVSKIY** *Deputy Director of the IMEMO; Corresponding Member (RAS, Russia).*
4. **Vladimir DVORKIN** *Principal Researcher of the IMEMO (RAS, former Director of the 4th Major Institute of the Ministry of Defense); Professor; Full Member of the Russian Academy of Rocket and Artillery Sciences, Academies of Military Sciences, the Russian Engineering Academy, the International Engineering Academy, Russian Academy of Astronautics; Major-General, ret. (Russia).*
5. **Robert EINHORN** *Senior Adviser (International Security Program) of the Center for Strategic and International Studies (former Assistant Secretary for Nonproliferation of the U.S. Department of State).*

6. **Rose GOTTEMOELLER** *Director of the Carnegie Moscow Center (former Assistant Secretary for Non-Proliferation and National Security of the U.S. Department of Energy).*
7. **Alexander KALIADIN** *Principal Researcher of the IMEMO (RAS); Ph.D. (Russia).*
8. **Robert NURICK** *Senior Fellow of the James Martin Center for Non-Proliferation Studies of the Monterey Institute of International Studies (USA).*
9. **Sergey OZNOBISHCHEV** *Director of the Institute for Strategic Assessments; Professor of the MGIMO and the Higher School of Economics (former Chief of the Organizational Analytic Division, RAS); Ph.D.; Full Member of the Russian Academy of Cosmonautics, the World Academy of Sciences for Complex Security.*
10. **Alexander PIKAEV** *Vice Chairman of the Committee of Scientists for International Security; Head of the Department, IMEMO (RAS); Ph.D. (Russia).*
11. **Evgeney SATANOVSKIY** *President of the Institute of the Middle East; Ph.D. (Russia).*
12. **Jon WOLFSTHAL** *Senior Fellow (International Security Program) of the Center for Strategic and International Studies (USA).*





## APPENDIX 2

# Normative Documents on Nuclear Non-Proliferation

### 2.1. The Treaty on the Non-Proliferation of Nuclear Weapons

July 1, 1968

Washington, London and Moscow

*The States concluding this Treaty, hereinafter referred to as the "Parties to the Treaty",*

*Considering* the devastation that would be visited upon all mankind by a nuclear war and the consequent need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples,

*Believing* that the proliferation of nuclear weapons would seriously enhance the danger of nuclear war,

*In conformity* with resolutions of the United Nations General Assembly calling for the conclusion of an agreement on the prevention of wider dissemination of nuclear weapons,

*Undertaking* to cooperate in facilitating the application of International Atomic Energy Agency safeguards on peaceful nuclear activities,

*Expressing* their support for research, development and other efforts to further the ap-

plication, within the framework of the International Atomic Energy Agency safeguards system, of the principle of safeguarding effectively the flow of source and special fissionable materials by use of instruments and other techniques at certain strategic points,

*Affirming* the principle that the benefits of peaceful applications of nuclear technology, including any technological by-products which may be derived by nuclear-weapon States from the development of nuclear explosive devices, should be available for peaceful purposes to all Parties of the Treaty, whether nuclear-weapon or non-nuclear weapon States,

*Convinced* that, in furtherance of this principle, all Parties to the Treaty are entitled to participate in the fullest possible exchange of scientific information for, and to contribute alone or in cooperation with other States to, the further development of the applications of atomic energy for peaceful purposes,

*Declaring* their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake effective measures in the direction of nuclear disarmament,

*Urging* the cooperation of all States in the attainment of this objective,

*Recalling* the determination expressed by the Parties to the 1963 Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water in its Preamble to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time and to continue negotiations to this end,

*Desiring* to further the easing of international tension and the strengthening of trust between States in order to facilitate the cessation of the manufacture of nuclear weapons, the liquidation of all their existing stockpiles, and the elimination from national arsenals of nuclear weapons and the means of their delivery pursuant to a Treaty on general and complete disarmament under strict and effective international control,

*Recalling* that, in accordance with the Charter of the United Nations, States must refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the Purposes of the United Nations, and that the establishment and maintenance of international peace and security are to be promoted with the least diversion for armaments of the world's human and economic resources,

*Have agreed as follows:*

## **ARTICLE I**

Each nuclear-weapon State Party to the Treaty undertakes not to transfer to any recipient whatsoever nuclear weapons or other nuclear explosive devices or control over such weapons or explosive devices directly, or indirectly; and not in any way to assist, en-

courage, or induce any non-nuclear weapon State to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, or control over such weapons or explosive devices.

## **ARTICLE II**

Each non-nuclear-weapon State Party to the Treaty undertakes not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive devices or of control over such weapons or explosive devices directly, or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

## **ARTICLE III**

1. Each non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this article shall be applied to all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere.

2. Each State Party to the Treaty undertakes not to provide: (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material, to any non-nuclear-weapon State for peaceful purposes, unless the source or special fissionable material shall be subject to the safeguards required by this article.
3. The safeguards required by this article shall be implemented in a manner designed to comply with article IV of this Treaty, and to avoid hampering the economic or technological development of the Parties or international cooperation in the field of peaceful nuclear activities, including the international exchange of nuclear material and equipment for the processing, use or production of nuclear material for peaceful purposes in accordance with the provisions of this article and the principle of safeguarding set forth in the Preamble of the Treaty.
4. Non-nuclear-weapon States Party to the Treaty shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this article either individually or together with other States in accordance with the Statute of the International Atomic Energy Agency. Negotiation of such agreements shall commence within 180 days from the original entry into force of this Treaty. For States depositing their instruments of ratification or accession after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.

#### **ARTICLE IV**

1. Nothing in this Treaty shall be interpreted as affecting the inalienable right

of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty.

2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world.

#### **ARTICLE V**

Each party to the Treaty undertakes to take appropriate measures to ensure that, in accordance with this Treaty, under appropriate international observation and through appropriate international procedures, potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to the Treaty on a nondiscriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development. Non-nuclear-weapon States Party to the Treaty shall be able to obtain such benefits, pursuant to a special international agreement or agreements, through an appropriate international body with adequate representation of non-nuclear-weapon States. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force. Non-nuclear-weapon States Party to the Treaty so desiring may also obtain such benefits pursuant to bilateral agreements.

**ARTICLE VI**

Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a Treaty on general and complete disarmament under strict and effective international control.

**ARTICLE VII**

Nothing in this Treaty affects the right of any group of States to conclude regional treaties in order to assure the total absence of nuclear weapons in their respective territories.

**ARTICLE VIII**

1. Any Party to the Treaty may propose amendments to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all Parties to the Treaty. Thereupon, if requested to do so by one-third or more of the Parties to the Treaty, the Depositary Governments shall convene a conference, to which they shall invite all the Parties to the Treaty, to consider such an amendment.
2. Any amendment to this Treaty must be approved by a majority of the votes of all the Parties to the Treaty, including the votes of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. The amendment shall enter into force for each Party that deposits its instrument of ratification of the amendment upon the deposit of such instruments of ratification by a majority of all the Parties, including the instruments of ratification of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is

circulated, are members of the Board of Governors of the International Atomic Energy Agency. Thereafter, it shall enter into force for any other Party upon the deposit of its instrument of ratification of the amendment.

3. Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realized. At intervals of five years thereafter, a majority of the Parties to the Treaty may obtain, by submitting a proposal to this effect to the Depositary Governments, the convening of further conferences with the same objective of reviewing the operation of the Treaty.

**ARTICLE IX**

1. This Treaty shall be open to all States for signature. Any State which does not sign the Treaty before its entry into force in accordance with paragraph 3 of this article may accede to it at any time.
2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, which are hereby designated the Depositary Governments.
3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositories of the Treaty, and forty other States signatory to this Treaty and the deposit of their instruments of ratification. For the purposes of this Treaty, a nuclear-weapon State is one which has manufactured

and exploded a nuclear weapon or other nuclear explosive device prior to January 1, 1967.

4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of the deposit of their instruments of ratification or accession.
5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification or of accession, the date of the entry into force of this Treaty, and the date of receipt of any requests for convening a conference or other notices.
6. This Treaty shall be registered by the Depositary Governments pursuant to article 102 of the Charter of the United Nations.

#### **ARTICLE X**

1. Each Party shall in exercising its national sovereignty have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty and to the United

Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it regards as having jeopardized its supreme interests.

2. Twenty-five years after the entry into force of the Treaty, a conference shall be convened to decide whether the Treaty shall continue in force indefinitely, or shall be extended for an additional fixed period or periods. This decision shall be taken by a majority of the Parties to the Treaty.

#### **ARTICLE XI**

This Treaty, the English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depositary Governments. Duly certified copies of this Treaty shall be transmitted by the Depositary Governments to the Governments of the signatory and acceding States.

IN WITNESS WHEREOF the undersigned, duly authorized, have signed this Treaty.

DONE in triplicate, at the cities of Washington, London and Moscow, this first day of July one thousand nine hundred sixty-eight.

Source: Roland Timerbaev, *Russia and Nuclear Non-Proliferation, 1945—1968* (Moscow, 1999), pp.354—359.

## 2.2. United Nations Security Council Resolution 1737

*December 23, 2006  
New-York*

*The Security Council,*

*Recalling* the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006,

*Reaffirming* its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, and recalling the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,

*Reiterating* its serious concern over the many reports of the IAEA Director General and resolutions of the IAEA Board of Governors related to Iran's nuclear programme, reported to it by the IAEA Director General, including IAEA Board resolution GOV/2006/14,

*Reiterating* its serious concern that the IAEA Director General's report of 27 February 2006 (GOV/2006/15) lists a number of outstand-

ing issues and concerns on Iran's nuclear programme, including topics which could have a military nuclear dimension, and that the IAEA is unable to conclude that there are no undeclared nuclear materials or activities in Iran,

*Reiterating* its serious concern over the IAEA Director General's report of 28 April 2006 (GOV/2006/27) and its findings, including that, after more than three years of Agency efforts to seek clarity about all aspects of Iran's nuclear programme, the existing gaps in knowledge continue to be a matter of concern, and that the IAEA is unable to make progress in its efforts to provide assurances about the absence of undeclared nuclear material and activities in Iran,

*Noting* with serious concern that, as confirmed by the IAEA Director General's reports of 8 June 2006 (GOV/2006/38), 31 August 2006 (GOV/2006/53) and 14 November 2006 (GOV/2006/64), Iran has not

established full and sustained suspension of all enrichment-related and reprocessing activities as set out in resolution 1696 (2006), nor resumed its cooperation with the IAEA under the Additional Protocol, nor taken the other steps required of it by the IAEA Board of Governors, nor complied with the provisions of Security Council resolution 1696 (2006) and which are essential to build confidence, and *deploring* Iran's refusal to take these steps,

*Emphasizing* the importance of political and diplomatic efforts to find a negotiated solution guaranteeing that Iran's nuclear programme is exclusively for peaceful purposes, and *noting* that such a solution would benefit nuclear nonproliferation elsewhere, and *welcoming* the continuing commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative to seek a negotiated solution,

*Determined* to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of this resolution have been met,

*Concerned* by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolution 1696 (2006), *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

*Acting* under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Affirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions;
2. *Decides*, in this context, that Iran shall without further delay suspend the following proliferation sensitive nuclear activities:
  - (a) all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA; and
  - (b) work on all heavy water-related projects, including the construction of a research reactor moderated by heavy water, also to be verified by the IAEA;
3. *Decides* that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, namely:
  - (a) those set out in sections B.2, B.3, B.4, B.5, B.6 and B.7 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814;
  - (b) those set out in sections A.1 and B.1 of INFCIRC/254/Rev.8/Part 1 in document S/2006/814, except the supply, sale or transfer of:
    - (i) equipment covered by B.1 when such equipment is for light water reactors;
    - (ii) low-enriched uranium covered by A.1.2 when it is incorporated in assembled nuclear fuel elements for such reactors;



- (c) those set out in document S/2006/815, except the supply, sale or transfer of items covered by 19.A.3 of Category II;
- (d) any additional items, materials, equipment, goods and technology, determined as necessary by the Security Council or the Committee established by paragraph 18 below (herein "the Committee"), which could contribute to enrichment-related, or reprocessing, or heavy water-related activities, or to the development of nuclear weapon delivery systems;
4. *Decides* that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of the following items, materials, equipment, goods and technology:
- (a) those set out in INFCIRC/254/Rev.7/Part2 of document S/2006/814 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities;
- (b) any other items not listed in documents S/2006/814 or S/2006/815 if the State determines that they would contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems;
- (c) any further items if the State determines that they would contribute to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding;
5. *Decides* that, for the supply, sale or transfer of all items, materials, equipment, goods and technology covered by documents S/2006/814 and S/2006/815 the export of which to Iran is not prohibited by subparagraphs 3 (b), 3 (c) or 4 (a) above, States shall ensure that:
- (a) the requirements, as appropriate, of the Guidelines as set out in documents S/2006/814 and S/2006/985 have been met; and
- (b) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and
- (c) they notify the Committee within ten days of the supply, sale or transfer; and
- (d) in the case of items, materials, equipment, goods and technology contained in document S/2006/814, they also notify the IAEA within ten days of the supply, sale or transfer;
6. *Decides* that all States shall also take the necessary measures to prevent the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the prohibited items, materials, equipment, goods and technology specified in paragraphs 3 and 4 above;
7. *Decides* that Iran shall not export any of the items in documents S/2006/814 and S/2006/815 and that all Member States shall prohibit the procurement of such items from Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran;
8. *Decides* that Iran shall provide such access and cooperation as the IAEA requests to be able to verify the suspension outlined in paragraph 2 and to resolve all outstanding issues, as identified in IAEA reports, and calls upon Iran to ratify promptly the Additional Protocol;

9. *Decides* that the measures imposed by paragraphs 3, 4 and 6 above shall not apply where the Committee determines in advance and on a case-by-case basis that such supply, sale, transfer or provision of such items or assistance would clearly not contribute to the development of Iran's technologies in support of its proliferation sensitive nuclear activities and of development of nuclear weapon delivery systems, including where such items or assistance are for food, agricultural, medical or other humanitarian purposes, provided that:
- (a) contracts for delivery of such items or assistance include appropriate end-user guarantees; and
  - (b) Iran has committed not to use such items in proliferation sensitive nuclear activities or for development of nuclear weapon delivery systems;
10. *Calls upon* all States to exercise vigilance regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and *decides* in this regard that all States shall notify the Committee of the entry into or transit through their territories of the persons designated in the Annex to this resolution (herein "the Annex"), as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities and for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 above, except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) above;
11. *Underlines* that nothing in the above paragraph requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations as well as the necessity to meet the objectives of this resolution, including where Article XV of the IAEA Statute is engaged;
12. *Decides* that all States shall freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of this resolution or at any time thereafter, that are owned or controlled by the persons or entities designated in the Annex, as well as those of additional persons or entities designated by the Security Council or by the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them, including through illicit means, and that the measures in this paragraph shall cease to apply in respect of such persons or entities if, and at such time as, the Security Council or the Committee removes them from the Annex, and *decides further* that all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities;
13. *Decides* that the measures imposed by paragraph 12 above do not apply to funds, other financial assets or economic resources that have been determined by relevant States:

- (a) to be necessary for basic expenses, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges or exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services, or fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds, other financial assets and economic resources, after notification by the relevant States to the Committee of the intention to authorize, where appropriate, access to such funds, other financial assets or economic resources and in the absence of a negative decision by the Committee within five working days of such notification;
- (b) to be necessary for extraordinary expenses, provided that such determination has been notified by the relevant States to the Committee and has been approved by the Committee;
- (c) to be the subject of a judicial, administrative or arbitral lien or judgment, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgment provided that the lien or judgment was entered into prior to the date of the present resolution, is not for the benefit of a person or entity designated pursuant to paragraphs 10 and 12 above, and has been notified by the relevant States to the Committee;
- (d) to be necessary for activities directly related to the items specified in subparagraphs 3 (b) (i) and (ii) and have been notified by the relevant States to the Committee;
14. *Decides* that States may permit the addition to the accounts frozen pursuant to the provisions of paragraph 12 above of interests or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts became subject to the provisions of this resolution, provided that any such interest, other earnings and payments continue to be subject to these provisions and are frozen;
15. *Decides* that the measures in paragraph 12 above shall not prevent a designated person or entity from making payment due under a contract entered into prior to the listing of such a person or entity, provided that the relevant States have determined that:
- (a) the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in paragraphs 3, 4 and 6 above;
- (b) the payment is not directly or indirectly received by a person or entity designated pursuant to paragraph 12 above; and after notification by the relevant States to the Committee of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, ten working days prior to such authorization;
16. *Decides* that technical cooperation provided to Iran by the IAEA or under its auspices shall only be for food, agricultural, medical, safety or other humanitarian purposes, or where it is necessary for projects directly related to the items specified in subparagraphs 3 (b) (i) and (ii) above, but that no such technical cooperation shall be provided that relates to the proliferation sensitive nuclear activities set out in paragraph 2 above;

17. *Calls upon* all States to exercise vigilance and prevent specialized teaching or training of Iranian nationals, within their territories or by their nationals, of disciplines which would contribute to Iran's proliferation sensitive nuclear activities and development of nuclear weapon delivery systems;
18. *Decides* to establish, in accordance with rule 28 of its provisional rules of procedure, a Committee of the Security Council consisting of all the members of the Council, to undertake the following tasks:
- (a) to seek from all States, in particular those in the region and those producing the items, materials, equipment, goods and technology referred to in paragraphs 3 and 4 above, information regarding the actions taken by them to implement effectively the measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 of this resolution and whatever further information it may consider useful in this regard;
  - (b) to seek from the secretariat of the IAEA information regarding the actions taken by the IAEA to implement effectively the measures imposed by paragraph 16 of this resolution and whatever further information it may consider useful in this regard;
  - (c) to examine and take appropriate action on information regarding alleged violations of measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 of this resolution;
  - (d) to consider and decide upon requests for exemptions set out in paragraphs 9, 13 and 15 above;
  - (e) to determine as may be necessary additional items, materials, equipment, goods and technology to be specified for the purpose of paragraph 3 above;
  - (f) to designate as may be necessary additional individuals and entities subject to the measures imposed by paragraphs 10 and 12 above;
  - (g) to promulgate guidelines as may be necessary to facilitate the implementation of the measures imposed by this resolution and include in such guidelines a requirement on States to provide information where possible as to why any individuals and/or entities meet the criteria set out in paragraphs 10 and 12 and any relevant identifying information;
  - (h) to report at least every 90 days to the Security Council on its work and on the implementation of this resolution, with its observations and recommendations, in particular on ways to strengthen the effectiveness of the measures imposed by paragraphs 3, 4, 5, 6, 7, 8, 10 and 12 above;
19. *Decides* that all States shall report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 3, 4, 5, 6, 7, 8, 10, 12 and 17 above;
20. *Expresses* the conviction that the suspension set out in paragraph 2 above as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors, would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes, *underscores* the willingness of the international community to work positively for such a solution, *encourages* Iran, in conforming to the above provisions, to re-engage with the international community and with the IAEA, and *stresses* that such engagement will be beneficial to Iran;
21. *Welcomes* the commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United

ed States, with the support of the European Union's High Representative, to a negotiated solution to this issue and encourages Iran to engage with their June 2006 proposals (S/2006/521), which were endorsed by the Security Council in resolution 1696 (2006), for a long-term comprehensive agreement which would allow for the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme;

22. *Reiterates* its determination to reinforce the authority of the IAEA, strongly supports the role of the IAEA Board of Governors, *commends* and *encourages* the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve all remaining outstanding issues in Iran within the framework of the IAEA, *underlines* the necessity of the IAEA continuing its work to clarify all outstanding issues relating to Iran's nuclear programme;
23. *Requests* within 60 days a report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in this resolution, as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the other provisions of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;
24. *Affirms* that it shall review Iran's actions in the light of the report referred to in paragraph 23 above, to be submitted within 60 days, and:
  - (a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing activities, including research and

development, as verified by the IAEA, to allow for negotiations;

- (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7, 10 and 12 of this resolution as soon as it determines that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;
  - (c) that it shall, in the event that the report in paragraph 23 above shows that Iran has not complied with this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with this resolution and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;
25. *Decides* to remain seized of the matter.

## ANNEX

### A. Entities Involved in the Nuclear Programme

1. Atomic Energy Organisation of Iran.
2. Mesbah Energy Company (provider for A40 research reactor — Arak).
3. Kala-Electric (aka Kalaye Electric) (provider for PFEP — Natanz).
4. Pars Trash Company (involved in centrifuge programme, identified in IAEA reports).
5. Farayand Technique (involved in centrifuge programme, identified in IAEA reports).
6. Defence Industries Organisation (overarching MODAFL-controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme).
7. 7th of Tir (subordinate of DIO, widely recognized as being directly involved in the nuclear programme).

**B. Entities Involved in the Ballistic Missile Programme**

1. Shahid Hemmat Industrial Group (SHIG) (subordinate entity of AIO).
2. Shahid Bagheri Industrial Group (SBIG) (subordinate entity of AIO).
3. Fajr Industrial Group (formerly Instrumentation Factory Plant, subordinate entity of AIO).

**C. Persons Involved in the Nuclear Programme**

1. Mohammad Qannadi, AEOI Vice President for Research & Development.
2. Behman Asgarpour, Operational Manager (Arak).
3. Dawood Agha-Jani, Head of the PFEP (Natanz).
4. Ehsan Monajemi, Construction Project Manager, Natanz.
5. Jafar Mohammadi, Technical Adviser to the AEOI (in charge of managing the production of valves for centrifuges).
6. Ali Hajinia Leilabadi, Director General of Mesbah Energy Company.

7. Lt Gen Mohammad Mehdi Nejad Nouri, Rector of Malek Ashtar University of Defence Technology (chemistry dept, affiliated to MODALF, has conducted experiments on beryllium).

**D. Persons Involved in the Ballistic Missile Programme**

1. Gen Hosein Salimi, Commander of the Air Force, IRGC (Pasdaran).
2. Ahmad Vahid Dastjerdi, Head of the AIO.
3. Reza-Gholi Esmaeli, Head of Trade & International Affairs Dept, AIO.
4. Bahmanyar Morteza Bahmanyar, Head of Finance & Budget Dept, AIO.

**E. Persons Involved in Both the Nuclear and Ballistic Missile Programmes**

1. Maj Gen Yahya Rahim Safavi, Commander, IRGC (Pasdaran).

**Source:** United Nations Security Council Resolution 1737/ United Nations' official site// <http://daccessdds.un.org/doc/UN-DOC/GEN/N06/681/42/PDF/N0668142.pdf?OpenElement>.

## 2.3. United Nations Security Council Resolution 1747

*March 24, 2007  
New-York*

*The Security Council,*

*Recalling* the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006, and its resolution 1737 (2006) of 23 December 2006, and reaffirming their provisions,

*Reaffirming* its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, the need for all States Party to that Treaty to comply fully with all their obligations, and recalling the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,

*Recalling* its serious concern over the reports of the IAEA Director General as set out in its resolutions 1696 (2006) and 1737 (2006),

*Recalling* the latest report by the IAEA Director General (GOV/2007/8) of 22 February 2007 and *deploring* that, as indicated there-

in, Iran has failed to comply with resolution 1696 (2006) and resolution 1737 (2006),

*Emphasizing* the importance of political and diplomatic efforts to find a negotiated solution guaranteeing that Iran's nuclear programme is exclusively for peaceful purposes, and *noting* that such a solution would benefit nuclear nonproliferation elsewhere, and *welcoming* the continuing commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative to seek a negotiated solution,

*Recalling* the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

*Determined* to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006) and resolution 1737 (2006) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of these resolutions have been met,

*Recalling* the requirement on States to join in affording mutual assistance in carrying out the measures decided upon by the Security Council,

*Concerned* by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolutions 1696 (2006) and 1737 (2006), *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

*Acting* under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Reaffirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions, and, in this context, *affirms* its decision that Iran shall without further delay take the steps required in paragraph 2 of resolution 1737 (2006);
2. *Calls upon* all States also to exercise vigilance and restraint regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear

weapon delivery systems, and *decides* in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006) or Annex I to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of that resolution;

3. *Underlines* that nothing in the above paragraph requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations, including religious obligations, as well as the necessity to meet the objectives of this resolution and resolution 1737 (2006), including where Article XV of the IAEA Statute is engaged;
4. *Decides* that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annex I to this resolution;
5. *Decides* that Iran shall not supply, sell or transfer directly or indirectly from its territory or by its nationals or using its flag vessels or aircraft any arms or related materiel, and that all States shall prohibit the procurement of such items from Iran



- by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran;
6. *Calls upon* all States to exercise vigilance and restraint in the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran, and in the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of such items in order to prevent a destabilising accumulation of arms;
  7. *Calls upon* all States and international financial institutions not to enter into new commitments for grants, financial assistance, and concessional loans, to the government of the Islamic Republic of Iran, except for humanitarian and developmental purposes;
  8. *Calls upon* all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 2, 4, 5, 6 and 7 above;
  9. *Expresses* the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes, *underlines* the willingness of the international community to work positively for such a solution, *encourages* Iran, in conforming to the above provisions, to re-engage with the international community and with the IAEA, and *stresses* that such engagement will be beneficial to Iran;
  10. *Welcomes* the continuous affirmation of the commitment of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, to a negotiated solution to this issue and *encourages* Iran to engage with their June 2006 proposals (S/2006/521), attached in Annex II to this resolution, which were endorsed by the Security Council in resolution 1696 (2006), and *acknowledges* with appreciation that this offer to Iran remains on the table, for a long-term comprehensive agreement which would allow for the development of relations and cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme;
  11. *Reiterates* its determination to reinforce the authority of the IAEA, strongly supports the role of the IAEA Board of Governors, *commends and encourages* the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve all outstanding issues in Iran within the framework of the IAEA, *underlines* the necessity of the IAEA, which is internationally recognized as having authority for verifying compliance with safeguards agreements, including the non-diversion of nuclear material for non-peaceful purposes, in accordance with its Statute, to continue its work to clarify all outstanding issues relating to Iran's nuclear programme;
  12. *Requests* within 60 days a further report from the Director General of the IAEA on whether Iran has established full and sus-

tained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the other provisions of resolution 1737 (2006) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

13. *Affirms* that it shall review Iran's actions in light of the report referred to in paragraph 12 above, to be submitted within 60 days, and:

- (a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing 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;
- (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006) as well as in paragraphs 2, 4, 5, 6 and 7 above as soon as it determines, following receipt of the report referred to in paragraph 12 above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;
- (c) that it shall, in the event that the report in paragraph 12 above shows that Iran has not complied with resolution 1737 (2006) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

14. Decides to remain seized of the matter.

## **ANNEX I**

### **Entities Involved in Nuclear or Ballistic Missile Activities**

1. Ammunition and Metallurgy Industries Group (AMIG) (aka Ammunition Industries Group) (AMIG controls 7th of Tir, which is designated under resolution 1737 (2006) for its role in Iran's centrifuge programme. AMIG is in turn owned and controlled by the Defence Industries Organization (DIO), which is designated under resolution 1737 (2006)).
2. Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC) (Parts of the Atomic Energy Organization of Iran's (AEOI) Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities. AEOI is designated under resolution 1737 (2006)).
3. Kavoshyar Company (Subsidiary company of AEOI, which has sought glass fibres, vacuum chamber furnaces and laboratory equipment for Iran's nuclear programme).
4. Parchin Chemical Industries (Branch of DIO, which produces ammunition, explosives, as well as solid propellants for rockets and missiles).
5. Karaj Nuclear Research Centre (Part of AEOI's research division).
6. Novin Energy Company (aka Pars Novin) (Operates within AEOI and has transferred funds on behalf of AEOI to entities associated with Iran's nuclear programme).
7. Cruise Missile Industry Group (aka Naval Defence Missile Industry Group) (Production and development of cruise missiles. Responsible for naval missiles including cruise missiles).

8. Bank Sepah and Bank Sepah International (Bank Sepah provides support for the Aerospace Industries Organization (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG), both of which were designated under resolution 1737 (2006).
9. Sanam Industrial Group (subordinate to AIO, which has purchased equipment on AIO's behalf for the missile programme).
10. Ya Mahdi Industries Group (subordinate to AIO, which is involved in international purchases of missile equipment).

### **Iranian Revolutionary Guard Corps Entities**

1. Qods Aeronautics Industries (Produces unmanned aerial vehicles (UAVs), parachutes, para-gliders, para-motors, etc. Iranian Revolutionary Guard Corps (IRGC) has boasted of using these products as part of its asymmetric warfare doctrine).
2. Pars Aviation Services Company (Maintains various aircraft including MI-171, used by IRGC Air Force).
3. Sho'a' Aviation (Produces micro-lights which IRGC has claimed it is using as part of its asymmetric warfare doctrine).

### **Persons Involved in Nuclear or Ballistic Missile Activities**

1. Fereidoun Abbasi-Davani (Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics, working closely with Mohsen Fakhrizadeh-Mahabadi, designated below).
2. Mohsen Fakhrizadeh-Mahabadi (Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). The IAEA has asked to interview him about the activities of the PHRC over the period he was head but Iran has refused).

3. Seyed Jaber Safdari (Manager of the Natanz Enrichment Facilities).
4. Amir Rahimi (Head of Esfahan Nuclear Fuel Research and Production Center, which is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities).
5. Mohsen Hojati (Head of Fajr Industrial Group, which is designated under resolution 1737 (2006) for its role in the ballistic missile programme).
6. Mehrdada Akhlaghi Ketabachi (Head of SBIG, which is designated under resolution 1737 (2006) for its role in the ballistic missile programme).
7. Naser Maleki (Head of SHIG, which is designated under resolution 1737 (2006) for its role in Iran's ballistic missile programme. Naser Maleki is also a MODAFL official overseeing work on the Shahab-3 ballistic missile programme. The Shahab-3 is Iran's long range ballistic missile currently in service).
8. Ahmad Derakhshandeh (Chairman and Managing Director of Bank Sepah, which provides support for the AIO and subordinates, including SHIG and SBIG, both of which were designated under resolution 1737 (2006)).

### **Iranian Revolutionary Guard Corps Key Persons**

1. Brigadier General Morteza Rezaie (Deputy Commander of IRGC).
2. Vice Admiral Ali Akbar Ahmadian (Chief of IRGC Joint Staff.).
3. Brigadier General Mohammad Reza Zaheidi (Commander of IRGC Ground Forces).
4. Rear Admiral Morteza Safari (Commander of IRGC Navy).
5. Brigadier General Mohammad Hejazi (Commander of Bassij resistance force).

6. Brigadier General Qasem Soleimani (Commander of Qods force).
  7. General Zolqadr (IRGC officer, Deputy Interior Minister for Security Affairs).
- and the Security Council, and commit to continue this during these negotiations.
  - Resume the implementation of the Additional Protocol.

## ANNEX II

### Elements of a Long-term Agreement

Our goal is to develop relations and cooperation with Iran, based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of the nuclear programme of the Islamic Republic of Iran. We propose a fresh start in the negotiation of a comprehensive agreement with Iran. Such an agreement would be deposited with the International Atomic Energy Agency (IAEA) and endorsed in a Security Council resolution. To create the right conditions for negotiations,

We will:

- Reaffirm Iran's right to develop nuclear energy for peaceful purposes in conformity with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (hereinafter, NPT), and in this context reaffirm our support for the development by Iran of a civil nuclear energy programme.
- Commit to support actively the building of new light water reactors in Iran through international joint projects, in accordance with the IAEA statute and NPT.
- Agree to suspend discussion of Iran's nuclear programme in the Security Council upon the resumption of negotiations.

Iran will:

- Commit to addressing all of the outstanding concerns of IAEA through full cooperation with IAEA,
- Suspend all enrichment-related and reprocessing activities to be verified by IAEA, as requested by the IAEA Board of Governors

### Areas of Future Cooperation to Be Covered in Negotiations on a Long-term Agreement

#### Nuclear

We will take the following steps:

#### Iran's Rights to Nuclear Energy

- Reaffirm Iran's inalienable right to nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of NPT, and cooperate with Iran in the development by Iran of a civil nuclear power programme.
- Negotiate and implement a Euratom/Iran nuclear cooperation agreement.

#### Light Water Reactors

- Actively support the building of new light water power reactors in Iran through international joint projects, in accordance with the IAEA statute and NPT, using state-of-the-art technology, including by authorizing the transfer of necessary goods and the provision of advanced technology to make its power reactors safe against earthquakes.
- Provide cooperation with the management of spent nuclear fuel and radioactive waste through appropriate arrangements.

#### Research and Development in Nuclear Energy

- Provide a substantive package of research and development cooperation, including possible provision of light water research reactors, notably in the fields of radioisotope production, basic research and nuclear applications in medicine and agriculture.

## Fuel Guarantees

Give legally binding, multilayered fuel assurances to Iran, based on:

- Participation as a partner in an international facility in Russia to provide enrichment services for a reliable supply of fuel to Iran's nuclear reactors. Subject to negotiations, such a facility could enrich all uranium hexafluoride (UF<sub>6</sub>) produced in Iran.
- Establishment on commercial terms of a buffer stock to hold a reserve of up to five years' supply of nuclear fuel dedicated to Iran, with the participation and under supervision of IAEA.
- Development with IAEA of a standing multilateral mechanism for reliable access to nuclear fuel, based on ideas to be considered at the next meeting of the Board of Governors.

## Review of Moratorium

The long-term agreement would, with regard to common efforts to build international confidence, contain a clause for review of the agreement in all its aspects, to follow:

- Confirmation by IAEA that all outstanding issues and concerns reported by it, including those activities which could have a military nuclear dimension, have been resolved;
- Confirmation that there are no undeclared nuclear activities or materials in Iran and that international confidence in the exclusively peaceful nature of Iran's civil nuclear programme has been restored.

## Political and Economic Regional Security Cooperation

Support for a new conference to promote dialogue and cooperation on regional security issues.

## International Trade and Investment

Improving Iran's access to the international economy, markets and capital, through practical support for full integration into international structures, including the World Trade Organization and to create the framework for increased direct investment in Iran and trade with Iran (including a trade and economic cooperation agreement with the European Union). Steps would be taken to improve access to key goods and technology.

## Civil Aviation

Civil aviation cooperation, including the possible removal of restrictions on United States and European manufacturers in regard to the export of civil aircraft to Iran, thereby widening the prospect of Iran renewing its fleet of civil airliners.

## Energy Partnership

Establishment of a long-term energy partnership between Iran and the European Union and other willing partners, with concrete and practical applications.

## Telecommunications Infrastructure

Support for the modernization of Iran's telecommunication infrastructure and advanced Internet provision, including by possible removal of relevant United States and other export restrictions.

## High Technology Cooperation

Cooperation in fields of high technology and other areas to be agreed upon.

## Agriculture

Support for agricultural development in Iran.

**Source:** United Nations Security Council Resolution 1747/ United Nations' official site// <http://daccessdds.un.org/doc/UN-DOC/GEN/N07/281/40/PDF/N0728140.pdf?OpenElement>.

## 2.4. United Nations Security Council Resolution 1803

*March 3, 2008  
New-York*

*The Security Council,*

*Recalling* the Statement of its President, S/PRST/2006/15, of 29 March 2006, and its resolution 1696 (2006) of 31 July 2006, its resolution 1737 (2006) of 23 December 2006 and its resolution 1747 (2007) of 24 March 2007, and reaffirming their provisions,

*Reaffirming* its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, the need for all States Party to that Treaty to comply fully with all their obligations, and recalling the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,

*Recalling* the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a

Middle East free of weapons of mass destruction, including their means of delivery,

*Noting* with serious concern that, as confirmed by the reports of 23 May 2007 (GOV/2007/22), 30 August 2007 (GOV/2007/48), 15 November 2007 (GOV/2007/58) and 22 February 2008 (GOV/2008/4) of the Director General of the International Atomic Energy Agency (IAEA), Iran has not established full and sustained suspension of all enrichment related and reprocessing activities and heavy water-related projects as set out in resolution 1696 (2006), 1737 (2006), and 1747 (2007), nor resumed its cooperation with the IAEA under the Additional Protocol, nor taken the other steps required by the IAEA Board of Governors, nor complied with the provisions of Security Council resolution 1696 (2006), 1737 (2006) and 1747 (2007) and which are essential to build confidence, and deploring Iran's refusal to take these steps,

*Noting* with concern that Iran has taken issue with the IAEA's right to verify design information which had been provided by Iran pursuant to the modified Code 3.1, emphasizing that in accordance with Article 39 of Iran's Safeguards Agreement Code 3.1 cannot be modified nor suspended unilaterally and that the Agency's right to verify design information provided to it is a continuing right, which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility,

*Reiterating* its determination to reinforce the authority of the IAEA, strongly supporting the role of the IAEA Board of Governors, commending the IAEA for its efforts to resolve outstanding issues relating to Iran's nuclear programme in the work plan between the Secretariat of the IAEA and Iran (GOV/2007/48, Attachment), welcoming the progress in implementation of this work plan as reflected in the IAEA Director General's reports of 15 November 2007 (GOV/2007/58) and 22 February 2008 (GOV/2008/4), underlining the importance of Iran producing tangible results rapidly and effectively by completing implementation of this work plan including by providing answers to all the questions the IAEA asks so that the Agency, through the implementation of the required transparency measures, can assess the completeness and correctness of Iran's declaration,

*Expressing* the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution, that guarantees Iran's nuclear programme is for exclusively peaceful purposes,

*Stressing* that China, France, Germany, the Russian Federation, the United Kingdom and the United States are willing to take further concrete measures on exploring an overall

strategy of resolving the Iranian nuclear issue through negotiation on the basis of their June 2006 proposals (S/2006/521), and noting the confirmation by these countries that once the confidence of the international community in the exclusively peaceful nature of Iran's nuclear programme is restored, it will be treated in the same manner as that of any Non-Nuclear Weapon State party to the Treaty on the Non-Proliferation of Nuclear Weapons,

*Having* regard to States' rights and obligations relating to international trade, Welcoming the guidance issued by the Financial Actions Task Force (FATF) to assist States in implementing their financial obligations under resolution 1737 (2006),

*Determined* to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolution 1696 (2006), resolution 1737 (2006), resolution 1747 (2007) and with the requirements of the IAEA, and also to constrain Iran's development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of these resolutions have been met,

*Concerned* by the proliferation risks presented by the Iranian nuclear programme and, in this context, by Iran's continuing failure to meet the requirements of the IAEA Board of Governors and to comply with the provisions of Security Council resolutions 1696 (2006), 1737 (2006) and 1747 (2007), mindful of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

*Acting* under Article 41 of Chapter VII of the Charter of the United Nations,

1. *Reaffirms* that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolution GOV/2006/14, which are essential to build confidence in the exclu-

- sively peaceful purpose of its nuclear programme and to resolve outstanding questions, and, in this context, affirms its decision that Iran shall without delay take the steps required in paragraph 2 of resolution 1737 (2006), and underlines that the IAEA has sought confirmation that Iran will apply Code 3.1 modified;
2. *Welcomes* the agreement between Iran and the IAEA to resolve all outstanding issues concerning Iran's nuclear programme and progress made in this regard as set out in the Director General's report of 22 February 2008 (GOV/2008/4), encourages the IAEA to continue its work to clarify all outstanding issues, stresses that this would help to re-establish international confidence in the exclusively peaceful nature of Iran's nuclear programme, and supports the IAEA in strengthening its safeguards on Iran's nuclear activities in accordance with the Safeguards Agreement between Iran and the IAEA;
  3. *Calls* upon all States to exercise vigilance and restraint regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and decides in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006), Annex I to resolution 1747 (2007) or Annex I to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006);
  4. *Underlines* that nothing in paragraph 3 above requires a State to refuse its own nationals entry into its territory, and that all States shall, in the implementation of the above paragraph, take into account humanitarian considerations, including religious obligations, as well as the necessity to meet the objectives of this resolution, resolution 1737 (2006) and resolution 1747 (2007), including where Article XV of the IAEA Statute is engaged;
  5. *Decides* that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in Annex II to this resolution as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006) and provided that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory;



6. *Decides* that the measures imposed by paragraph 5 above shall not apply where the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that an exemption would otherwise further the objectives of the present resolution;
7. *Decides* that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annexes I and III to this resolution, and any persons or entities acting on their behalf or at their direction, and to entities owned or controlled by them and to persons and entities determined by the Council or the Committee to have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, this resolution, resolution 1737 (2006) or resolution 1747 (2007);
8. *Decides* that all States shall take the necessary measures to prevent the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft to, or for use in or benefit of, Iran, and whether or not originating in their territories, of:
  - (a) all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.7/Part 2 of document S/2006/814, except the supply, sale or transfer, in accordance with the requirements of paragraph 5 of resolution 1737 (2006), of items, materials, equipment, goods and technology set out in sections 1 and 2 of the Annex to that document, and sections 3 to 6 as notified in advance to the Committee, only when for exclusive use in light water reactors, and where such supply, sale or transfer is necessary for technical cooperation provided to Iran by the IAEA or under its auspices as provided for in paragraph 16 of resolution 1737 (2006);
  - (b) all items, materials, equipment, goods and technology set out in 19.A.3 of Category II of document S/2006/815;
9. *Calls upon* all States to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, in order to avoid such financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006);
10. *Calls upon* all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Meli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006);
11. *Calls upon* all States, in accordance with their national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, to inspect the cargoes to and from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Line, provided there are reasonable grounds to believe that the aircraft or vessel is transporting goods prohibited under this resolution or resolution 1737 (2006) or resolution 1747 (2007);
12. *Requires* all States, in cases when inspection mentioned in the paragraph above is undertaken, to submit to the Security

- Council within five working days a written report on the inspection containing, in particular, explanation of the grounds for the inspection, as well as information on its time, place, circumstances, results and other relevant details;
13. *Calls upon* all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 3, 5, 7, 8, 9, 10 and 11 above;
  14. Decides that the mandate of the Committee as set out in paragraph 18 of resolution 1737 (2006) shall also apply to the measures imposed in resolution 1747 (2007) and this resolution;
  15. *Stresses* the willingness of China, France, Germany, the Russian Federation, the United Kingdom and the United States to further enhance diplomatic efforts to promote resumption of dialogue, and consultations on the basis of their offer to Iran, with a view to seeking a comprehensive, long-term and proper solution of this issue which would allow for the development of all-round relations and wider cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme, and inter alia, starting direct talks and negotiation with Iran as long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA;
  16. *Encourages* the European Union High Representative for the Common Foreign and Security Policy to continue communication with Iran in support of political and diplomatic efforts to find a negotiated solution including relevant proposals by China, France, Germany, the Russian Federation, the United Kingdom and the United States with a view to create necessary conditions for resuming talks;
  17. *Emphasizes* the importance of all States, including Iran, taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or of any person or entity in Iran, or of persons or entities designated pursuant to resolution 1737 (2006) and related resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures imposed by the present resolution, resolution 1737 (2006) or resolution 1747 (2007);
  18. *Requests* within 90 days a further report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian compliance with all the steps required by the IAEA Board and with the other provisions of resolution 1737 (2006), resolution 1747 (2007) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;
  19. *Reaffirms* that it shall review Iran's actions in light of the report referred to in the paragraph above, and:
    - (a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing 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;
    - (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006), as well as in paragraphs 2, 4, 5, 6 and 7 of resolution 1747

(2007), and in paragraphs 3, 5, 7, 8, 9, 10 and 11 above, as soon as it determines, following receipt of the report referred to in the paragraph above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board;

- (c) that it shall, in the event that the report shows that Iran has not complied with resolution 1696 (2006), resolution 1737 (2006), resolution 1747 (2007) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;

20. *Decides* to remain seized of the matter.

## ANNEX I

1. Amir Moayyed Alai (involved in managing the assembly and engineering of centrifuges).
2. Mohammad Fedai Ashiani (involved in the production of ammonium uranyl carbonate and management of the Natanz enrichment complex).
3. Abbas Rezaee Ashtiani (a senior official at the AEOI Office of Exploration and Mining Affairs).
4. Haleh Bakhtiar (involved in the production of magnesium at a concentration of 99.9%).
5. Morteza Behzad (involved in making centrifuge components).
6. Dr. Mohammad Eslami (Head of Defence Industries Training and Research Institute).

7. Seyyed Hussein Hosseini (AEOI official involved in the heavy water research reactor project at Arak).
8. M. Javad Karimi Sabet (Head of Novin Energy Company, which is designated under resolution 1747 (2007)).
9. Hamid-Reza Mohajerani (involved in production management at the Uranium Conversion Facility (UCF) at Esfahan).
10. Brigadier-General Mohammad Reza Naqdi (former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research/Head of State Anti-Smuggling Headquarters, engaged in efforts to get round the sanctions imposed by resolutions 1737 (2006) and 1747 (2007)).
11. Houshang Nobari (involved in the management of the Natanz enrichment complex).
12. Abbas Rashidi (involved in enrichment work at Natanz).
13. Ghasem Soleymani (Director of Uranium Mining Operations at the Saghand Uranium Mine).

## ANNEX II

### A. Individuals listed in resolution 1737 (2006).

1. Mohammad Qannadi, AEOI Vice President for Research & Development.
2. Dawood Agha-Jani, Head of the PFEP (Natanz).
3. Behman Asgarpour, Operational Manager (Arak).

### B. Individuals listed in resolution 1747 (2007).

1. Seyed Jaber Safdari (Manager of the Natanz Enrichment Facilities).
2. Amir Rahimi (Head of Esfahan Nuclear Fuel Research and Production Center, which is

part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities).

### ANNEX III

1. Abzar Boresh Kaveh Co. (BK Co.) (involved in the production of centrifuge components).
2. Barzagani Tejarat Tavanmad Saccal companies (subsidiary of Saccal System companies) (this company tried to purchase sensitive goods for an entity listed in resolution 1737 (2006)).
3. Electro Sanam Company (E. S. Co./E. X. Co.) (AIO front-company, involved in the ballistic missile programme).
4. Ettihad Technical Group (AIO front-company, involved in the ballistic missile programme).
5. Industrial Factories of Precision (IFP) Machinery (aka Instrumentation Factories Plant) (used by AIO for some acquisition attempts).
6. Jabber Ibn Hayan (AEOI laboratory involved in fuel-cycle activities).
7. Joza Industrial Co. (AIO front-company, involved in the ballistic missile programme).
8. Khorasan Metallurgy Industries (subsidiary of the Ammunition Industries Group (AMIG) which depends on DIO. Involved in the production of centrifuges components).
9. Niru Battery Manufacturing Company (subsidiary of the DIO. Its role is to manufacture power units for the Iranian military including missile systems).
10. Pishgam (Pioneer) Energy Industries (has participated in construction of the Uranium Conversion Facility at Esfahan).
11. Safety Equipment Procurement (SEP) (AIO front-company, involved in the ballistic missile programme).
12. TAMAS Company (involved in enrichment-related activities. TAMAS is the overarching body, under which four subsidiaries have been established, including one for uranium extraction to concentration and another in charge of uranium processing, enrichment and waste).

**Source:** United Nations Security Council Resolution 1803/ United Nations' official site// <http://daccessdds.un.org/doc/UN-DOC/GEN/N08/257/81/PDF/N0825781.pdf?OpenElement>.

## **2.5. Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolution 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran**

*February 22, 2008  
Vienna*

A report of the International Atomic Energy Agency Director General

1. On 15 November 2007, the Director General reported to the Board of Governors on the implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran (Iran) (GOV/2007/58). This report covers the relevant developments since that date.
  2. On 11 and 12 January 2008, the Director General met in Tehran with H.E. Ayatollah A. Khamenei, the Supreme Leader of Iran; H.E. Mr. M. Ahmadinejad, President of Iran; H.E. Mr. G. Aghazadeh, Vice President of Iran and President of the Atomic Energy Organization of Iran (AEOI); H.E. Mr. M. Mottaki, Foreign Minister; and H.E. Mr. S. Jalili, Secretary, Supreme Na-
- tional Security Council of Iran. The purpose of the visit was to discuss ways and means of implementing all relevant resolutions of the Board of Governors and the United Nations Security Council as well as accelerating implementation of the work plan agreed between Iran and the Secretariat on 21 August 2007 aimed at the clarification of outstanding safeguards implementation issues (GOV/2007/48, Attachment).
3. During the discussions, the Iranian leadership stated that the country's nuclear programme had always been exclusively for peaceful purposes and that there had never been a nuclear weapons development programme. The Iranian authorities agreed to accelerate implementation of the work plan.

## A. Implementation of the Work Plan on Outstanding Issues

### A.1. Source of Contamination

4. On 15 September 2007, the Agency provided Iran with questions relating to the source of the uranium particle contamination found on some equipment at a technical university, the nature of the equipment, the envisioned use of the equipment and the names and roles of individuals and entities involved, including the Physics Research Centre (PHRC) (GOV/2007/58, para. 24). This equipment was procured by the former head of PHRC, who had also been a professor at the university. He had also procured, or attempted to procure, other equipment, such as balancing machines, mass spectrometers, magnets and fluorine handling equipment, which could be useful in uranium enrichment activities (GOV/2006/27, para. 25).
5. On 10–12 December 2007 and on 15–16 December 2007, meetings took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions and the Agency requested additional clarifications regarding the intended purpose of the equipment, the persons and entities who had requested the items, the recipients, and the use and locations, both past and present, of the equipment. In a follow-up letter dated 18 December 2007, the Agency provided Iran with further details regarding the equipment.
6. In a letter dated 3 January 2008, the Agency reminded Iran that Iran needed to provide additional clarifications to allow a full assessment of the issue of the source of contamination and procurement efforts.
7. In a letter dated 8 January 2008, Iran provided answers to the questions raised by the Agency in its letter of 3 January 2008.

### A.1.1. Use of Equipment and Source of Contamination

8. According to Iran, vacuum equipment was procured in 1990 on behalf of the technical university by the former Head of PHRC because of his expertise in procurement and PHRC's business connections. The equipment was intended to be used at the Physics Department of the technical university for the coating of items such as optical mirrors, optical lasers, laser mirrors, resistive layers for solar cells and mirrors for use in medical operating theatres.
9. Iran stated that, upon receipt of the equipment in 1991, it was noticed that the delivery was incomplete and that some incorrect parts had been supplied. The equipment was therefore put into storage at the university. Iran further stated that a number of letters of complaint were written to the supplier company at intervals until 1994, but to no avail.
10. According to Iran, some individual pieces of equipment were used both inside and outside the university during the period 1994–2003 in research, operation and maintenance activities involving vacuum conditions, but other parts of the consignment were never used. As its explanation of how the contamination had come about, Iran said that, in 1998, an individual who was testing used centrifuge components from Pakistan at the laboratory at Vanak Square for the AEOI (GOV/2004/34, para. 31) had asked the vacuum service of the university to come and repair a pump. Iran stated that some items of the vacuum equipment mentioned above were used for this repair activity and that, when these items were eventually brought back to the university, they spread uranium particle contamination.
11. To assess the information provided by Iran, the Agency spoke with the individ-

ual from the Vanak Square laboratory and the vacuum technician from the university who had carried out the repairs. The Agency was also shown the pump that had been repaired using the equipment concerned. The Agency made a detailed analysis of the signatures of the contamination of the equipment and compared them with those of the swipe samples taken from the centrifuge components in Iran which had originated in Pakistan. The Agency concluded that the explanation and supporting documentation provided by Iran regarding the possible source of contamination by uranium particles at the university were not inconsistent with the data currently available to the Agency. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify this issue as part of its verification of the completeness of Iran's declarations.

#### **A.1.2. Procurement Activities by the former Head of PHRC**

12. According to Iran, none of the equipment purchased or enquired about by the former Head of PHRC (see para. 4 above) was intended for use in uranium enrichment or conversion related activities, whether for research and development (R&D) or for educational activities in these fields. Procurements and procurement attempts by the former Head of PHRC were said by Iran to have also been made on behalf of other entities of Iran, as described below.
13. Iran stated that the vacuum equipment purchased by the Head of PHRC had been intended for educational purposes in the Vacuum Technique Laboratory of the university, specifically for use in experiments by students on thin layer production using evaporation and vacuum techniques, coating using vacuum systems and leak detection in vacuum systems. To support its statements, Iran presented instruction manuals related to the various experiments, internal communications on the procurement of the equipment and shipping documents. Agency inspectors visited the Vacuum Technique Laboratory and confirmed the presence of the equipment there.
14. Iran stated that some magnets had also been purchased by the Head of the PHRC on behalf of the Physics Department of the university for educational purposes in "Lenz-Faraday experiments". To support this statement, Iran presented a number of documents: instruction manuals related to the experiments; requests for funding which indicated that a decision had been made to approach the Head of PHRC to order and purchase the parts; and an invoice for cash sales from the supplier. Iran stated that the magnets were discarded after being used.
15. According to Iran, the Head of PHRC attempted twice — once successfully — to buy a balancing machine for the Mechanical Engineering Department of the university for educational purposes, such as in the measurement of vibrations and forces in rotating components due to unbalancing. To support Iran's statement, the Agency was shown laboratory experiment procedures, requests about procurement and a letter confirming the completion of the purchase. Agency inspectors visited the Mechanical Engineering Department and confirmed the presence of the balancing machine there.
16. According to Iran, the Head of PHRC also attempted to purchase 45 gas cylinders, each containing 2.2 kg of fluorine, on behalf of the Office of Industrial Interrelations of the university. Iran stated that the intended purpose of the fluorine had been

to enhance the chemical stability of polymeric vessels. To support its statements, Iran presented a request to buy fluorine and a communication between the Head of PHRC and the President of the university about the proposed supplier's refusal to deliver the goods.

17. Iran stated that the AEOI had encountered difficulties with procurement because of international sanctions imposed on the country, and that that was why the AEOI had requested the Dean of the university to assist in the procurement of a UF<sub>6</sub> mass spectrometer. According to Iran, in 1988, the Dean of the university approached the Head of the Mechanics Workshop of the Shahid Hemmat Industrial Group (SHIG), which belonged to the Ministry of Sepah, and asked him to handle the procurement. According to Iran, the mass spectrometer was never delivered. The Head of the Mechanics Workshop, who was later appointed Head of PHRC when it was established in 1989, is the same person involved in the other procurement attempts mentioned above.
18. The Agency took note of the information and supporting documents provided by Iran as well as the statements made by the former Head of PHRC to the Agency and concluded that the replies were not inconsistent with the stated use of the equipment. The role and activities of PHRC will be further addressed in connection with the alleged studies as discussed below.

### A.2. Uranium Metal Document

19. On 8 November 2007, the Agency received a copy from Iran of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the machining of enriched uranium metal into hemispheres, which are components of nuclear weapons. Iran reiterated that this document had been received along with

the P-1 centrifuge documentation in 1987 and that it had not been requested by Iran. The Agency is still waiting for a response from Pakistan on the circumstances of the delivery of this document in order to understand the full scope and content of the offer made by the network in 1987 (GOV/2006/15, paras 20–22).

### A.3. Polonium-210

20. Polonium-210 is of interest to the Agency because it can be used not only for civilian applications (such as radioisotope batteries), but also — in conjunction with beryllium — for military purposes, such as neutron initiators in some designs of nuclear weapons. On 20–21 January 2008, a meeting took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions raised by the Agency in its letter dated 15 September 2007 regarding polonium-210 research (GOV/2007/58, para. 26). The Agency's questions included a request to see the original project documentation.
21. According to Iran, in the 1980s, scientists from the Tehran Nuclear Research Centre (TNRC) were asked to propose new research activities. A project called "Production of <sup>210</sup>Po by the irradiation of <sup>209</sup>Bi in the TNRC reactor" was proposed and eventually approved by the Scientific Advisory Committee of TNRC in 1988. The project consisted of fundamental research aimed at enhancing knowledge about this process. According to Iran, it was not aimed at a specific immediate application. However, a potential use in radioisotope batteries, if the chemical extraction of polonium-210 proved successful, was mentioned in the initial proposal.
22. Iran reiterated that the project was not part of any larger R&D project, but had been a personal initiative of the project leader. According to Iran, the chemist



working on the project left the country before full chemical processing had been performed, the project was aborted and the decayed samples were discarded as waste (GOV/2004/11, para. 30).

23. To support its statements, Iran presented additional copies of papers and literature searches that had formed the basis for the request for approval of the project. Iran also provided copies of the project proposal, the meeting minutes and the approval document from the Scientific Advisory Committee of TNRC, as well as a complete copy of the reactor logbook for the entire period that the samples were present in the reactor.
24. Based on an examination of all information provided by Iran, the Agency concluded that the explanations concerning the content and magnitude of the polonium-210 experiments were consistent with the Agency's findings and with other information available to it. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify this issue as part of its verification of the completeness of Iran's declarations.

#### A.4. Gchine Mine

25. On 22 and 23 January 2008, a meeting took place in Tehran between the Agency and Iranian officials during which Iran provided answers to the questions raised by the Agency in its letter dated 15 September 2007 (GOV/2007/58, para. 27) with a view to achieving a better understanding of the complex arrangements governing the past and current administration of the Gchine uranium mine and mill (GOV/2005/67, paras 26–31).
26. According to Iran, the exploitation of uranium at the Gchine mine, as well as the

ore processing activities at the Gchine uranium ore concentration (UOC) plant, have always been and remain the responsibility of the AEOI.

27. Iran stated that, by 1989, the extent of uranium reserves at Saghand in central Iran had been established in cooperation with Chinese experts. Considering the promising output of this region, a contract for equipping the Saghand mine and designing a uranium ore processing plant was concluded with Russian companies in 1995. Insufficient funding was allocated in the Government's 1994–1998 five-year plan for the AEOI to pursue activities at both Gchine and Saghand. Since there was more uranium (estimated 1000 tonnes) at Saghand than at Gchine (estimated 40 tonnes), it was decided to spend the available funds on Saghand.
28. According to Iran, in the period 1993–1998, tasks such as the preparation of technical reports and studies, and some chemical testing of ores, were performed at the AEOI Ore Processing Center (OPC) at TNRC. The focus of some of the documentation work had been to justify funding of Gchine in the 1999–2003 five-year plan. These efforts were successful and funding for further exploration and exploitation at Gchine was approved in the plan. A decision to construct a UOC plant at Gchine, known as "Project 5/15", was made on 25 August 1999.
29. During the 22–23 January 2008 meetings, Iran also provided the Agency with supporting documentation regarding the budget, the five-year plans, contracts with foreign entities and the preparation of studies and reports. The Agency concluded that the documentation was sufficient to confirm the AEOI's continuing interest in and activity at Gchine in the 1993–1999 period.

30. Regarding the origin and role of the Kimia Maadan (KM) Company, Iran stated that the OPC, in addition to its own staff, had hired consultants and experts for various projects, including for work relating to Gchine. When budget approval was given in 1999 for exploration and exploitation at Gchine, some experts and consultants had formed a company (KM) to take on a contract from the AEOI for the Gchine plant. Supporting documentation was provided to the Agency showing that KM was registered as a company on 4 May 2000. Iran stated that KM's core staff of about half a dozen people consisted of experts who had previously worked for the OPC. At the peak of activity, the company employed over 100 people. In addition to its own staff, KM made use of experts from universities and subcontractors to work on the project.
31. According to Iran, KM was given conceptual design information by the AEOI consisting of drawings and technical reports. KM's task was to do the detailed design, to procure and install equipment and to put the Gchine UOC plant into operation. The contract imposed time constraints and the time pressure led to some mistakes being made. After the detailed design was completed, changes had to be made which led to financial problems for KM.
32. Iran stated that KM had had only one project — the one with the AEOI for construction of the Gchine UOC plant on a turn-key basis. However, the company had also helped with procurement for the AEOI because of the AEOI's procurement constraints due to sanctions (GOV/2006/15, para. 39). A document listing items procured for the Uranium Conversion Facility (UCF) was provided by Iran. According to Iran, because of KM's financial problems, the company ceased work on the Gchine project in June 2003, when the three-year contract with the AEOI came to an end. Iran stated that KM was officially deregistered on 8 June 2003 and provided a document supporting this statement. After KM stopped work, the OPC again took over work on the Gchine UOC plant.
33. Iran stated that KM had been able to progress quickly from its creation in May 2000 and to install foundations for the UOC plant by late December 2000 because the conceptual design for the plant had been done by the OPC. This conceptual design and other "know-how" had been supplied to KM, which used the information for the detailed design of processing equipment. KM was therefore quickly able to prepare drawings and issue purchase orders. Documents supporting the conceptual work done by the AEOI were presented to the Agency by Iran.
34. Much of the supporting information provided by Iran had not been presented to the Agency during past discussions about Gchine. The Agency concluded that the information and explanations provided by Iran were supported by the documentation, the content of which is consistent with the information already available to the Agency. The Agency considers this question no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and continues to verify this issue as part of verification of the completeness of Iran's declarations.

#### **A.5. Alleged Studies**

35. The Agency has continued to urge Iran, as demanded by the Security Council, to address the alleged studies concerning the conversion of uranium dioxide (UO<sub>2</sub>) into uranium tetrafluoride (UF<sub>4</sub>) (the green salt project), high explosives testing and the design of a missile re-entry vehicle,

which could have a military nuclear dimension and which appear to have administrative interconnections, and in view of their possible link to nuclear material (GOV/2007/58, para. 28). As part of the work plan, Iran agreed to address these alleged studies.

36. On 27 and 28 January 2008 and from 3 to 5 February 2008, the Agency and Iran discussed the alleged studies at meetings in Tehran. During these discussions, the Agency provided detailed information about the allegations and asked for clarification concerning other issues that had arisen during the implementation of the work plan, including the roles of PHRC, KM, the Education Research Institute (ERI) and the Institute of Applied Physics (IAP) (GOV/2004/83, paras 100 – 101).
37. The Agency showed Iran certain documentation which the Agency had been given by other Member States, purportedly originating from Iran, including a flowsheet of bench scale conversion of UO<sub>2</sub> to UF<sub>4</sub>. The documents show a capacity of the process of about 1 tonne per year of UF<sub>4</sub>. The flowsheet has KM markings on it and refers to "Project 5/13." The documentation includes communications between the project staff and another private company on the acquisition of process instrumentation. These communications also make reference to the leadership of the project concerning the missile re-entry vehicle. The Agency also presented a sketch of a process to produce 50 tonnes of UF<sub>4</sub> per year.
38. Iran stated that the allegations were baseless and that the information which the Agency had shown to Iran was fabricated. However, Iran agreed to clarify its statement in detail. On 8 February and 12 February 2008, the Agency reiterated in writing its request for additional clarifications. On 14 February 2008, Iran responded, re-iterating its earlier statements and declaring that this was its final assessment on this point. Iran stated that the only organization that had been, and was, involved in fuel cycle activities was the AEOI and that the AEOI had had a contract with KM to develop a UOC plant in Gchine, which was the only project in which KM was ever involved. In Iran's view, the flowsheet was a fabrication and the accusation baseless.
39. During the meetings on 3–5 February 2008, the Agency made available documents for examination by Iran and provided additional technical information related to: the testing of high voltage detonator firing equipment; the development of an exploding bridgewire detonator (EBW); the simultaneous firing of multiple EBW detonators; and the identification of an explosive testing arrangement that involved the use of a 400 m shaft and a firing capability remote from the shaft by a distance of 10 km, all of which the Agency believes would be relevant to nuclear weapon R&D. Iran stated that the documents were fabricated and that the information contained in those documents could easily be found in open sources. During the meetings mentioned above, the Agency also described parameters and development work related to the Shahab 3 missile, in particular technical aspects of a re-entry vehicle, and made available to Iran for examination a computer image provided by other Member States showing a schematic layout of the contents of the inner cone of a re-entry vehicle. This layout has been assessed by the Agency as quite likely to be able to accommodate a nuclear device. Iran stated that its missile programme involved the use of conventional warheads only and was also part of the country's space programme, and that the schematic layout shown by the Agency was baseless and fabricated.

40. During the meetings of 27–28 January and 3–5 February 2008, the Agency asked Iran to clarify a number of procurement actions by the ERI, PHRC and IAP which could relate to the abovementioned alleged studies. These included training courses on neutron calculations, the effect of shock waves on metal, enrichment/isotope separation and ballistic missiles. Efforts to procure spark gaps, shock wave software, neutron sources, special steel parts (GOV/2006/15, para. 37) and radiation measurement equipment, including borehole gamma spectrometers, were also made. In its written response on 5 February 2008, Iran stated that 'PAM shock' software was enquired about "in order to study aircraft, collision of cars, airbags and for the design of safety belts." Iran also stated that the radiation monitors it had enquired about were meant to be used for radiation protection purposes. Iran's response regarding the efforts to procure training courses on neutron calculations, and enrichment/isotope separation, spark gaps, shock wave software, neutron sources and radiation measurement equipment for borehole gamma spectrometers is still awaited.
41. During the same meetings, the Agency requested clarification of the roles of certain officials and institutes and their relation to nuclear activities. Iran was also asked to clarify projects such as the so-called "Project 4" (possibly uranium enrichment) and laser related R&D activities. Iran denied the existence of some of the organizations and project offices referred to in the documentation and denied that other organizations named were involved in nuclear related activities. Iran also denied the existence of some of the people named in the documentation and said allegations about the roles of other people named were baseless. Iran's response to the Agency's request regarding "Project 4" and laser related R&D activities is still awaited.
42. On 15 February 2008, the Agency proposed a further meeting to show additional documentation on the alleged studies to Iran, after being authorized to do so by the countries which had provided it. Iran has not yet responded to the Agency's proposal.

## **B. Current Enrichment Related Activities**

43. On 12 December 2007, the first physical inventory taking was carried out at the Fuel Enrichment Plant (FEP) in Natanz and verified by the Agency. Since the beginning of operations in February 2007, a total of 1670 kg of UF<sub>6</sub> had been fed into the cascades. The operator presented, inter alia, about 75 kg of UF<sub>6</sub> as the product, with a stated enrichment of 3.8% U-235. The throughput of the facility has been well below its declared design capacity. There has been no installation of centrifuges outside the original 18-cascade area. Installation work, including equipment and sub-header pipes, is continuing for other cascade areas. Since March 2007, a total of nine unannounced inspections have been carried out at FEP. All nuclear material at FEP remains under Agency containment and surveillance.
44. On 8 November 2007, Iran stated that it "agreed that exchanging of the new centrifuge generation information" would be discussed with the Agency in December 2007 (GOV/2007/58, para. 33). On 13 January 2008, the Director General and Deputy Director General for Safeguards visited an AEOI R&D laboratory at Kalaye Electric, where they were given information on R&D activities being carried out there. These included work on four different centrifuge designs: two subcritical rotor designs, a rotor with bellows and a more advanced centrifuge. Iran informed

the Agency that the R&D laboratory was developing centrifuge components, measuring equipment and vacuum pumps with the aim of having entirely indigenous production capabilities in Iran.

45. On 15 January 2008, Iran informed the Agency about the planned installation of the first new generation subcritical centrifuge (IR-2) at the Pilot Fuel Enrichment Plant (PFEP) and provided relevant design information. On 29 January 2008, the Agency confirmed that a single IR-2 test machine and a 10-machine IR-2 test cascade had been installed at PFEP. Iran reported that about 0.8 kg of UF<sub>6</sub> had been fed to the single machine between 22 and 27 January 2008. Iran has continued to test P-1 centrifuges in one single machine, one 10-, one 20- and one 164-machine cascade at PFEP. Between 23 October 2007 and 21 January 2008, Iran fed a total of about 8 kg of UF<sub>6</sub> into the single P-1 and the 10-machine P-1 cascade; no nuclear material was fed into the 20- and 164-machine cascades. At the end of January 2008, the single P-1 machine and the 10- and 20-machine P-1 cascades were dismantled and the space was used for the new IR-2 machines. All activities took place under Agency containment and surveillance.
46. On 5 February 2008, the Deputy Director General for Safeguards and the Director of Safeguards Operations B visited laboratories at Lashkar Abad, where laser enrichment activities had taken place in 2003 and earlier. The laboratories are now run by a private company, which is producing and developing laser equipment for industrial purposes. All the former laser equipment has been dismantled and some of it is stored at the site. The management of the company provided detailed information on current and planned activities, including plans for extensive new construction work, and stated that they are

not carrying out, and are not planning, any uranium enrichment activities.

### C. Reprocessing Activities

47. The Agency has continued monitoring the use and construction of hot cells at the Tehran Research Reactor (TRR), the Molybdenum, Iodine and Xenon Radioisotope Production Facility (the MIX Facility) and the Iran Nuclear Research Reactor (IR-40) through inspections and design information verification. There have been no indications of ongoing reprocessing related activities at those facilities. In addition, Iran has stated that there have been no reprocessing related R&D activities in Iran, which the Agency can confirm only with respect to these facilities.

### D. Heavy Water Reactor Related Projects

48. On 5 February 2008, the Agency carried out design information verification at the IR-40 and noted that construction of the facility was ongoing. The Agency has continued to monitor the construction of the Heavy Water Production Plant using satellite imagery. The imagery appears to indicate that the plant is operating.

### E. Other Implementation Issues

#### E.1. Uranium Conversion

49. During the current conversion campaign at UCF, which began on 31 March 2007, approximately 120 tonnes of uranium in the form of UF<sub>6</sub> had been produced as of 2 February 2008. This brings the total amount of UF<sub>6</sub> produced at UCF since March 2004 to 309 tonnes, all of which remains under Agency containment and surveillance. Iran has stated that it is carrying out no uranium conversion related R&D activities other than those at Esfahan.

## E.2. Design Information

50. On 30 March 2007, the Agency requested Iran to reconsider its decision to suspend the implementation of the modified text of its Subsidiary Arrangements General Part, Code 3.1. (GOV/2007/22, paras 12–14), but there has been no progress on this issue. However, Iran has provided updated design information for PFEP.

## E.3. Other Matters

51. On 26 November 2007, the Agency verified and sealed in the Russian Federation the fresh fuel foreseen for the Bushehr Nuclear Power Plant (BNPP), before its shipment to Iran. As of February 2008, all fuel assemblies had been received, verified and re-sealed at BNPP.

## F. Summary

52. The Agency has been able to continue to verify the non-diversion of declared nuclear material in Iran. Iran has provided the Agency with access to declared nuclear material and has provided the required nuclear material accountancy reports in connection with declared nuclear material and activities. Iran has also responded to questions and provided clarifications and amplifications on the issues raised in the context of the work plan, with the exception of the alleged studies. Iran has provided access to individuals in response to the Agency's requests. Although direct access has not been provided to individuals said to be associated with the alleged studies, responses have been provided in writing to some of the Agency's questions.

53. The Agency has been able to conclude that answers provided by Iran, in accordance with the work plan, are consistent with its findings — in the case of the polonium-210 experiments and the Gchine mine — or are not inconsistent with its

findings — in the case of the contamination at the technical university and the procurement activities of the former Head of PHRC. Therefore, the Agency considers those questions no longer outstanding at this stage. However, the Agency continues, in accordance with its procedures and practices, to seek corroboration of its findings and to verify these issues as part of its verification of the completeness of Iran's declarations.

54. The one major remaining issue relevant to the nature of Iran's nuclear programme is the alleged studies on the green salt project, high explosives testing and the missile re-entry vehicle. This is a matter of serious concern and critical to an assessment of a possible military dimension to Iran's nuclear programme. The Agency was able to show some relevant documentation to Iran on 3–5 February 2008 and is still examining the allegations made and the statements provided by Iran in response. Iran has maintained that these allegations are baseless and that the data have been fabricated. The Agency's overall assessment requires, inter alia, an understanding of the role of the uranium metal document, and clarifications concerning the procurement activities of some military related institutions still not provided by Iran. The Agency only received authorization to show some further material to Iran on 15 February 2008. Iran has not yet responded to the Agency's request of that same date for Iran to view this additional documentation on the alleged studies. In light of the above, the Agency is not yet in a position to determine the full nature of Iran's nuclear programme. However, it should be noted that the Agency has not detected the use of nuclear material in connection with the alleged studies, nor does it have credible information in this regard. The Director General has urged Iran to engage actively with the Agency in a more detailed exami-

nation of the documents available about the alleged studies which the Agency has been authorized to show to Iran.

55. The Agency has recently received from Iran additional information similar to that which Iran had previously provided pursuant to the Additional Protocol, as well as updated design information. As a result, the Agency's knowledge about Iran's current declared nuclear programme has become clearer. However, this information has been provided on an ad hoc basis and not in a consistent and complete manner. The Director General has continued to urge Iran to implement the Additional Protocol at the earliest possible date and as an important confidence building measure requested by the Board of Governors and affirmed by the Security Council. The Director General has also urged Iran to implement the modified text of its Subsidiary Arrangements General Part, Code 3.1 on the early provision of design information. Iran has expressed its readiness to implement the provisions of the Additional Protocol and the modified text of its Subsidiary Arrangements General Part, Code 3.1, "if the nuclear file is returned from the Security Council to the IAEA".
56. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued the operation of PFEP and FEP. In addition, Iran started the development of new generation centrifuges. Iran has also continued construction of the IR-40 reactor and operation of the Heavy Water Production Plant.
57. With regard to its current programme, Iran needs to continue to build confidence

about 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. This is especially important in the light of the many years of undeclared activities in Iran and the confidence deficit created as a result. The Director General therefore urges Iran to implement all necessary measures called for by the Board of Governors and the Security Council to build confidence in the peaceful nature of its nuclear programme.

58. The Director General will continue to report as appropriate.

**Source:** Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran// International Atomic Energy Agency official site// <http://www.iaea.org/Publications/Documents/Board/2008/gov2008-4.pdf> .

# APPENDIX 3

## Acronyms

ABM	anti-ballistic missile
BMD	ballistic missile defense
BTWC/BWC	Biological and Toxin Weapons Convention (Biological Weapons Convention, BWC)
BWC	Biological Weapons Convention
CIA	Central Intelligence Agency (USA)
CTBT	Comprehensive Nuclear Test-Ban Treaty
CTC	Counter-Terrorist Committee
CTR	Cooperative Threat Reduction, Nunn-Lugar Program
CW	chemical weapon/warfare
CWC	Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and their Destruction
DoD	Department of Defense (USA)
DoE	Department of Energy (USA)
DPRK	Democratic People's Republic of Korea
FATF	Financial Action Task Force on Money Laundering
FMCT	Fissile Material Cut-Off Treaty
G8	Group of Eight
GDP	gross domestic product
GNEP	Global Nuclear Energy Partnership
HEU	high enriched uranium
IAEA	International Atomic Energy Agency
IMEMO	Institute for World Economy and International Relations (Russia)
IMO	International Maritime Organization



ICAO	International Civil Aviation Organization
ICJ	International Court of Justice
INF	intermediate-range nuclear forces
INFCE	International Nuclear Fuel Cycle Estimation
LEU	low enriched uranium
LNG	liquefied natural gas
MAD	Mutual Assured Deterrence
MGIMO	Moscow State Institute for International Relations (Russia)
MIT	Massachusetts Institute of Technology (USA)
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organization
NGO	non-governmental organization
NNWS	non-nuclear weapon state
NORAD	North American Aerospace Defense Command
NPT	Treaty on the Non-Proliferation of Nuclear Weapons (Nuclear Non-Proliferation Treaty)
NSG	Nuclear Suppliers Group
NTI	Nuclear Threat Initiative
OPCW	Organization for the Prohibition of Chemical Weapons
OSCE	Organization for Security and Cooperation in Europe
P5	five permanent members of the UN Security Council
PSI	Proliferation Security Initiative
RAS	Russian Academy of Sciences
R&D	research and development
SDI	Strategic Defense Initiative
START	Strategic Arms Reduction Treaty
TNT	trinitrotoluol
UAV	unmanned aerial vehicles
UNMOVIC	United Nations Monitoring, Verification and Inspection Commission
UNODC	United Nations Office on Drugs and Crime
UNSCOM	UN Special Commission (Iraq)
USEC	United States Enrichment Corporation
WCO	World Customs Organization
WHO	World Health Organization
WMD	weapon of mass destruction
WMDC	Weapons of Mass Destruction Commission

# APPENDIX 4

## List of Participants and Observers of the Workshop Meeting

### PARTICIPANTS

1. **Viatcheslav KANTOR** President of the International Luxembourg Forum; President of the European Jewish Congress; President of the Russian Jewish Congress; Ph.D. (Russia).

### WESTERN PARTICIPANTS

2. **Robert EINHORN** Senior Adviser (International Security Program) of the Center for Strategic and International Studies (former Assistant Secretary for Non-Proliferation of the U.S. Department of State).
3. **Rose GOTTEMOELLER** Director of the Carnegie Moscow Center (former Assistant Secretary for Non-Proliferation and National Security of the U.S. Department of Energy).
4. **Robert NURICK** Senior Fellow of the James Martin Center for Non-Proliferation Studies of the Monterey Institute of International Studies (USA).

5. **Jon WOLFSTHAL** Senior Fellow (International Security Program) of the Center for Strategic and International Studies (USA).

## RUSSIAN PARTICIPANTS

6. **Alexei ARBATOV** Head of the Center for International Security of the IMEMO (RAS); Scholar-in-Residence of the Carnegie Moscow Center (former Deputy Chairman of the Defense Committee of the State Duma, Federal Assembly – Russian Parliament); Corresponding member (RAS).
7. **Vladimir BARANOVSKIY** Deputy Director of the IMEMO; Corresponding Member (RAS).
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