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The provisional agenda  
(GOV/2005/59)

## Implementation of IAEA Safeguards in the Islamic Republic of Iran and related Board resolutions

An explanatory memorandum, submitted by the Permanent Missions of France, Germany and the United Kingdom, relating to the provisional agenda, is herewith circulated.



## **Memorandum on request for a Board meeting to discuss the implementation of IAEA Safeguards in Iran from France, Germany and the United Kingdom**

In several resolutions, the Board of Governors of the IAEA has noted that the Agency is not in a position to conclude that there are no undeclared nuclear materials or activities in Iran and has asked the Government of the Islamic Republic of Iran to suspend all enrichment related and reprocessing activities as a voluntary confidence building measure.

In its Note Verbale number 350-1-17/928, the Permanent Mission of the Islamic Republic of Iran wrote to inform the Director General that Iran had decided to resume uranium conversion activities at the Uranium Conversion Facility at Esfahan and to request the Agency to be prepared for the implementation of the safeguards related activities in a timely manner prior to the resumption of the UCF activities. The Director General circulated the Note as INFCIRC/648.

The Governments of France, Germany and the United Kingdom believe that the resumption of activity at the Uranium Conversion Facility would be inconsistent with the maintenance of the suspension requested by the Board. Since the IAEA is not yet in a position to conclude that there are no undeclared nuclear materials or activities in Iran, the Governments of France, Germany and the United Kingdom have requested that the Board meet to consider the situation resulting from the Iranian notification. The Governments of France, Germany and the United Kingdom intend to submit for the Board's consideration a proposal for Board action.

For the information of members of the Board, the Governments of France, German and the United Kingdom attach a summary of the Framework for a Long-Term Agreement between these Governments, with the support of the High Representative of the European Union, and the Islamic Republic of Iran, which was presented to the Iranian Government on 5 August.



## **E3/EU PROPOSALS FOR A LONG-TERM AGREEMENT: SUMMARY**

1. The present negotiation between the E3/EU and Iran began in December 2004, following conclusion of the Paris Agreement on 15 November 2004.
2. The Paris Agreement says: “In the context of this suspension [by Iran of all enrichment related and reprocessing activities, including specifically all tests or production at any uranium conversion installation], the E3/EU and Iran have agreed to begin negotiations, with a view to reaching a mutually acceptable agreement on long term arrangements. The agreement will provide objective guarantees that Iran’s nuclear programme is exclusively for peaceful purposes. It will equally provide firm guarantees on nuclear, technological and economic cooperation and firm commitments on security issues.”
3. In October 2004, prior to the Paris Agreement, the E3/EU presented ideas to Iran on the possible shape of such a long-term agreement. Iran produced proposals in March 2005, but these were based on Iran’s early resumption of fissile material production, without a comprehensible explanation of the civilian use for the nuclear material that would be produced.
4. On 25 May 2005, E3 Foreign Ministers and Javier Solana met an Iranian delegation led by Dr Hassan Rouhani in Geneva. They agreed that the E3/EU would present comprehensive proposals for long-term arrangements, at the end of July or at the beginning of August. On 5 August, the E3/EU accordingly passed to Iran a ‘Framework for a Long-term Agreement’.
5. In an accompanying letter, the E3/EU recognise that Iran will have further ideas it will want to discuss. The letter says that, as ever, the E3/EU remain open to discussion of all proposals that could lead to the conclusion of satisfactory long-term arrangements on the basis of the Paris Agreement.
6. The Framework is long – 30 pages in English – and detailed. It sets out possible elements for a future agreement. These reflect extensive work by the E3/EU, and take into account many of the points made by Iran’s negotiators. The main points are summarised below.

### **I. PREAMBLE**

The E3/EU propose that the preamble of a final agreement should set out the principles on which a long-term relationship between the E3/EU and Iran would be based. It would stress the importance of developing relations of trust and co-operation between the E3/EU and Iran for the preservation of international peace

and stability. The E3/EU and Iran would, inter alia, recall Article IV of the NPT and the rights to the use nuclear energy for peaceful purposes contained therein. They would affirm that a final agreement on long-term arrangements providing objective guarantees that Iran's nuclear programme is exclusively for peaceful purposes would lead immediately to a higher state of relations based on a process of collaboration in different areas.

## **II. POLITICAL & SECURITY CO-OPERATION**

**General principles.** The E3/EU propose that in any final agreement the E3/EU and Iran would make mutual commitments in conformity with the Charter of the United Nations, including to the principle of the resolution of disputes by peaceful means and in conformity with the principles of justice and international law; to 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 to promote respect for and observance and protection of human rights and fundamental freedoms for all without distinction of any kind.

**Security Assurances.** Within the context of an overall agreement and Iran's fulfilment of its obligations under the NPT, the UK and France would be prepared to reaffirm to Iran the unilateral security assurances given on 6 April 1995 and referred to in UN Security Council Resolution 984 (1995).

**Areas of special interest.** As part of an overall agreement, the E3/EU propose that both parties should make commitments in the following areas:

- **Non-proliferation.** The E3/EU and Iran would inter alia reaffirm their commitment to abide by security and non-proliferation treaties to which they are party, and the need to strengthen compliance mechanisms; stress the importance of universal adherence to disarmament and non-proliferation treaties and of the full implementation of the IAEA safeguards agreements and additional protocols; and reaffirm their commitment to the objective of a Middle East zone free of weapons of mass destruction and their means of delivery.
- **Regional security.** As part of an overall agreement, the E3/EU would welcome an expanded dialogue with Iran on regional security issues. To this end, the E3/EU would, as part of an overall agreement, commit to working with Iran to encourage confidence-building measures and regional security arrangements. Such discussions would take place in close consultation with all the States of the region.

- Terrorism. The E3/EU and Iran would commit themselves to combating terrorism, preventing and suppressing the financing and preparations for terrorism.
- Combating drug trafficking. The E3/EU would actively support international programmes designed to tackle Iran's drug problem, including by enhancing Afghan/Iranian border police co-operation, the training of customs officers, and the development of projects on demand and harm reduction in Iran.

**Implementation mechanism**. The E3/EU propose the creation of a high-level committee on political and security issues, which would review progress on this part of the agreement and provide a forum for discussing issues of regional, international and mutual interest.

### **III. LONG-TERM SUPPORT FOR IRAN'S CIVIL NUCLEAR PROGRAMME**

**Principles**. The E3/EU would: recognise Iran's rights under Article IV of the NPT to develop research, production and use of nuclear energy without discrimination in conformity with its obligations under the NPT, including Iran's right to develop a civil nuclear power generation programme; declare, within the context of an overall agreement, their willingness to support Iran to develop a safe, economically viable and proliferation-proof civil nuclear power generation and research programme that conforms with its energy needs; and fully support long-term co-operation in the civil nuclear field between Iran and Russia.

**Framework**. Within the context of an overall agreement, co-operation between the E3/EU and Iran in the nuclear field would be enhanced: Iran would have access to the international nuclear technologies market where contracts are awarded on the basis of open competitive tendering. Co-operation would be conditional on Iran's full implementation of its relevant international obligations and commitments, including the long-term arrangements agreed between the E3/EU and Iran, resolution by the IAEA of all questions raised under Iran's Safeguards Agreement and Additional Protocol, and continued co-operation with the IAEA. Under UNSCR 1540, and based on respective national, European and international norms, the E3/EU and Iran are obliged to implement export controls; the E3 would commit themselves to implementing these controls in a non-discriminatory way, bearing in mind the new context that would be created by the confidence building measures and commitments undertaken by Iran under an overall agreement.

**Iranian access to the international nuclear fuel market and co-operation in nuclear energy**. In line with these principles, and in the context of an overall agreement and growing mutual confidence, the E3/EU would support the

development of Iran's civil nuclear programme, including by helping to identify the requirement for a further research reactor in Iran, and by cooperation in other fields of peaceful use of nuclear energy, excluding fuel-cycle related activity.

The E3/EU would also support the development of co-operation in fields such as radio-isotope production, basic research and the peaceful use of nuclear energy in the fields of medicine and agriculture, and in establishing co-operation between regulatory authorities in the E3/EU and Iran and the IAEA in order to assist with the design and implementation of international standard nuclear safety and security regimes.

The E3/EU would actively support commencement of negotiations on an agreement between EURATOM and Iran.

**Fuel assurances.** The E3/EU recognise that Iran should have sustained access to nuclear fuel for the Light Water Reactors forming Iran's civil nuclear industry. Russia has committed itself formally to supplying nuclear fuel for the life-time of Russian-built reactors in Iran. In order to provide Iran with additional assurances that external supplies of fuel could be relied upon in the long term, the E3/EU would develop with Iran a framework which would provide such assurance, without prejudicing any future multilateral arrangements developed under IAEA auspices. The E3/EU have proposed ways this might be achieved, including through the creation of an ad hoc mechanism and a buffer store of fuel.

**Confidence building.** Effective long-term co-operation between Iran and the international community in the civil nuclear field will require the continued building of confidence over a significant period. As Iran will have an assured supply of fuel over the coming years, it will be able to provide the confidence needed by making a binding commitment not to pursue fuel cycle activities other than the construction and operation of light water power and research reactors. This commitment would be reviewed jointly in line with the review mechanism envisaged for the overall agreement.

As an essential element of this mechanism for international confidence building, Iran would undertake to: make a legally binding commitment not to withdraw from the NPT and to keep all Iranian nuclear facilities under IAEA safeguards under all circumstances; ratify its Additional Protocol, in accordance with its existing commitment, by the end of 2005; in the meantime, fully implement the Additional Protocol pending its ratification and to co-operate with the IAEA to solve all outstanding issues; and agree arrangements for the supply of fresh fuel from outside Iran and commit to returning all spent fuel elements to the original supplier.



In line with IAEA Board Resolutions, the E3/EU would also expect Iran to stop construction of its Heavy Water Research Reactor at Arak, which gives rise to proliferation concerns.

The E3/EU would work with Iran to establish a group to identify alternative uses for the equipment, installations, facilities and materials which would not form part of Iran's long-term civil nuclear industry. The group could consider alternative areas of employment for the scientists, technicians and workers currently employed in these facilities.

#### **IV. ECONOMIC & TECHNOLOGICAL CO-OPERATION**

An overall agreement would lead to the development of a programme of economic and technological co-operation with Iran, complementing the envisaged EC/Iran Trade & Co-operation Agreement, which will constitute the main vehicle for the long-term development of economic relations between the EU and Iran.

In a long-term agreement, the E3/EU would:

- work for an early conclusion of negotiations on a draft EU/Iran **Trade & Co-operation Agreement** and an EU/Iran Political Dialogue Agreement;
- offer continued political support for Iranian accession to the **World Trade Organisation**, and technical support to assist Iran making the necessary technical adjustments to its economy;
- recognise the importance of **energy co-operation** to their long-term relationship with Iran. They would be prepared to make a policy declaration that they regard Iran as a long-term source of oil and gas for the EU; and take steps, including opening an EU/Iran Energy Management & Technology Centre, to develop practical cooperation;
- promote trade, investment and transfer of technology;
- agree to convene a joint **export control** workshop, allowing for exchanges on the implementation on UN SCR 1540 and national/EC laws, and as a follow up be prepared to support Iran in establishing an efficient system of export controls
- commit to developing long-term **scientific and technological** co-operation with Iran in certain areas, including environmental technology, communications and information technology, education and vocational training; and
- **invigorate co-operation** in areas such as air transport, railway transport, maritime transport, seismology, infrastructure, agriculture and the food industry, and tourism

## **V. REVIEW MECHANISM**

The E3/EU and Iran would agree to implement the agreement in good faith. The agreement would be subject to review, at Ministerial level, every ten years. Any change to the arrangements would be subject to explicit agreement by both the E3/EU and Iran.

The E3/EU would be willing to circulate the final agreement for information and with a view to possible endorsement by the international community.