



# **Iran's Nuclear Programme: A Collection of Documents, Volume 2**



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**Presented to Parliament  
by the Secretary of State for Foreign  
and Commonwealth Affairs  
by Command of Her Majesty  
June 2008**

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# **IRAN'S NUCLEAR PROGRAMME: A COLLECTION OF DOCUMENTS, VOLUME 2**

## **PREFACE BY THE FOREIGN SECRETARY**

These documents record the international effort over the past three and a half years to address serious concerns regarding Iran's nuclear programme. It complements a previous collection of documents on Iran, published in January 2005.

The time that has elapsed since then has seen a high degree of international diplomatic activity on this issue. In January 2005 negotiations were underway on a long term agreement between the E3 (UK, France, Germany, supported by the EU's High Representative for the Common Foreign and Security Policy) and Iran who had made the decision to suspend its enrichment-related and reprocessing activities. The final document in the earlier compendium was an IAEA Board Resolution that commended both sides and looked forward to further positive developments.

That optimism has not been borne out. By August 2005 Iran had resumed conversion activities leading to referral of the issue from the IAEA Board of Governors to the UN Security Council. Iran then resumed enrichment at Natanz as well. In July 2006, UNSCR 1696 demanded that Iran suspend all enrichment-related and reprocessing activities. Despite three further UNSCRs (1737, 1747 and 1803) that reiterate this call on Iran to date it has not done so. In June 2006 and now in June 2008, the E3/EU High Representative, joined by the US, Russia and China (the "E3+3"), have made two comprehensive offers to Iran setting out the possible elements of a long term agreement. We have made clear that to enter into negotiations on this Iran must comply with its obligations to the UNSC.

The IAEA has also played a key role in this period. Its reports have shown that, in defiance of UNSCRs, Iran has continued, and still continues, enrichment-related activities and heavy water related projects. The reports also show that, while the IAEA has worked diligently to clarify various issues about Iran's past nuclear activities, Iran has still not answered to the Agency's satisfaction all the questions it has about possible military dimensions to those activities. The latest report also makes clear that Iran still has not provided the Agency with all the information, access to documents and access to individuals it requires to address this issue. The IAEA's reports show that Iran has not been provisionally implementing its Additional Protocol since February 2006, and that in March 2007 Iran also suspended the implementation of a provision pursuant to its Comprehensive Safeguards Agreement concerning the early provision of design information about new or modified facilities.

Finally, the EU has also been active. Two Common Positions adopted in 2007 implemented UNSCRs 1737 and 1747 and in some areas went further. There have been regular conclusions from the General Affairs and External Relations Council and European Council.

The documents in this collection tell this story and reflect the effort that continues to go into addressing this most serious strategic challenge. The UK, and its partners in the EU and in the E3+3, remain fully committed to a diplomatic solution. The final document is the refreshed offer that we have just conveyed to the Iranian leadership. As we make clear in our letter to the Iranian Foreign Minister, we are convinced that it is possible to change the present state of affairs. But we look to Iran's leaders to show that they share the same ambition. This is not about denying Iran or its people any of their rights, but with rights come responsibilities and until Iran's leaders recognise that we will continue to work with our partners to ensure that the international community can be confident about the real nature of Iran's nuclear programme, and that it does not pose a threat to peace and security.

A handwritten signature in black ink, appearing to read 'William Hague', written in a cursive style.

Secretary of State  
for Foreign and Commonwealth Affairs

## **DOCUMENTS FOR A COMPENDIUM OF PUBLIC PAPERS ON IRAN**

1. EU General Affairs and External Relations Council (GAERC) conclusions on Iran, 16 March 2005
2. Statement by Foreign Secretary Jack Straw, 25 May 2005
3. European Council conclusions, Brussels 16/17 June 2005
4. Framework for a long-term agreement between the Islamic Republic of Iran and France, Germany and the United Kingdom, with the Support of the High Representative of the European Union
5. Response of the Islamic Republic of Iran to the Framework Agreement proposed by EU3/EU
6. International Atomic Energy Agency (IAEA) Board of Governors Resolution, 11 August 2005
7. Director General's report to the IAEA Board of Governors, 2 September 2005
8. IAEA Board of Governors Resolution, 24 September 2005
9. GAERC conclusions, 3 October 2005
10. GAERC conclusions, 7 November 2005
11. Director General's report to the IAEA Board of Governors, 18 November 2005
12. European Council conclusions, Brussels 15/16 December 2005
13. GAERC conclusions, 30/31 January 2006
14. IAEA Board of Governors Resolution, 4 February 2006
15. GAERC conclusions, 27 February 2006
16. Director General's report to the IAEA Board of Governors, 27 February 2006
17. GAERC conclusions, 20 March 2006
18. Statement by the President of the Security Council, 29 March 2006
19. GAERC conclusions, 10/11 April 2006
20. Director General's report to the IAEA Board of Governors, 28 April 2006

21. GAERC conclusions, 15 May 2006
22. Elements of a proposal to Iran as approved on 1 June 2006 at the meeting in Vienna of China, France, Germany, the Russian Federation, the United Kingdom, the United States of America and the European Union
23. Director General's report to the IAEA Board of Governors, 8 June 2006
24. Islamic Republic of Iran's Response to the Package Presented on June 6, 2006
25. GAERC conclusions, 17/18 July 2006
26. United Nations Security Council resolution 1696, 31 July 2006
27. Director General's report to the IAEA Board of Governors, 31 August 2006
28. GAERC conclusions, 16/17 October 2006
29. Director General's report to the IAEA Board of Governors, 14 November 2006
30. United Nations Security Council resolution 1737, 23 December 2006
31. GAERC conclusions, 22 January 2007
32. Director General's report to the IAEA Board of Governors, 9 February 2007
33. GAERC conclusions, 12 February 2007
34. Director General's report to the IAEA Board of Governors, 22 February 2007
35. Common Position, 27 February 2007
36. GAERC conclusions, 5 March 2007
37. United Nations Security Council resolution 1747, 24 March 2007
38. Common Position, 23 April 2007
39. Director General's report to the IAEA Board of Governors, 23 May 2007
40. GAERC conclusions, 18 June 2007
41. Director General's report to the IAEA Board of Governors, 30 August 2007
42. IAEA Board of Governors Corrigendum, 7 September 2007

43. Statement of the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, with the support of the High Representative of the European Union, 28 September 2007.
44. GAERC conclusions, 15-16 October 2007
45. Director General's report to the IAEA Board of Governors, 15 November 2007
46. European Council conclusions, Brussels 14 December 2007
47. Director General's report to the IAEA Board of Governors, 22 February 2008
48. United Nations Security Council resolution 1803, 3 March 2008
49. Statement of the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, with the support of the High Representative of the European Union.
50. Director General's report to the IAEA Board of Governors, 26 May 2008
51. The Islamic Republic of Iran's Proposed Package for Constructive Negotiations
52. E3+3 letter to the Islamic Republic of Iran, 12 June 2008, delivered 14 June 2008

*External Relations Council – Brussels, 16 March 2005*

- ***Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council took note of the oral report by the High Representative in respect of Iran, including the letter from the High Representative and the Foreign Ministers of France, Germany and the United Kingdom, and expressed its support for the approach set out by the High Representative.

The Council welcomed the support received from the international community and, in particular, the statement made by US Secretary of State Condoleezza Rice on 11 March of measures in support of these diplomatic efforts."

**EDITED TRANSCRIPT OF STATEMENT BY THE FOREIGN SECRETARY, JACK STRAW, AT A PRESS CONFERENCE IN GENEVA ON WEDNESDAY 25 MAY 2005**

**FOREIGN SECRETARY:**

This is the first meeting at a ministerial level between the European side and Dr Rohani and his colleagues from the government of the Islamic Republic of Iran for six months. We've had a thorough discussion, within the framework of the Paris Agreement, which was agreed last November. The European side said that it would make detailed proposals to Iran by the end of July, the beginning of August, as outlined and discussed today and earlier by our officials in the context of the Paris Agreement remaining in force. The European side once again recognised Iran's rights under the Non-Proliferation Treaty, exercised in conformity with its obligations under the Treaty without discrimination. Iran for its part reaffirmed its commitment to not seeking nuclear weapons.

***Iran***

55. The European Council welcomes the resumption of negotiations for a trade and cooperation agreement and for a political agreement with Iran made possible by the conclusion and effective implementation of the Paris Agreement in November 2004. It stresses the importance it attaches to fair treatment of all Member States in the commercial sector. It confirms that the European Union is ready to continue looking into ways of further developing political and economic cooperation with Iran, following action taken by that country to address other areas of concern to the EU regarding the fight against terrorism, human rights and Iran's approach to the Middle East peace process. The European Council recalls its commitment to a credible and effective dialogue on human rights and hopes that the next meeting will take place rapidly on the basis of the new arrangements agreed by both parties.
  
56. The European Council would point out that the total suspension of all enrichment-related and all reprocessing activities had to be maintained if the overall process was to continue. It expresses its support for the continuation of efforts to reach an agreement on long-term arrangements, giving the international community objective guarantees of the exclusively peaceful purpose of the Iranian nuclear programme. The European Council welcomes the international support this process enjoyed.

**FRAMEWORK FOR A  
LONG-TERM AGREEMENT**

**BETWEEN**

**THE ISLAMIC REPUBLIC OF IRAN**

**AND**

**FRANCE, GERMANY & THE UNITED KINGDOM,  
WITH THE SUPPORT OF THE HIGH REPRESENTATIVE  
OF THE EUROPEAN UNION**

## **I. PREAMBLE**

1. The introduction would provide the political chapeau for the overall agreement, setting out the principles on which a long-term relationship between the E3/EU and Iran would be based. The E3/EU propose that it should comprise the following elements.
2. The E3/EU and Iran would:
  - a. 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;
  - b. define the relationship between the E3/EU process and the EU/Iran negotiations on a Political Dialogue Agreement and a Trade & Co-operation Agreement as complementary and mutually reinforcing;
  - c. commit themselves to establishing a long-term relationship in the security and political field based upon shared principles and conditional on both sides' adherence to all the principles and commitments set out in the overall agreement;
  - d. welcome Iran's commitment that, in accordance with Article II of the Treaty on the Non Proliferation of Nuclear Weapons, it does not and will not seek to acquire nuclear weapons or other weapons of mass destruction;
  - e. recall that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights 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 the Treaty;
  - f. 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;

- g. underline their determination to strengthen their long-term relationship through an enhanced programme of economic and technological co-operation, particularly through early completion of negotiations between Iran and the European Union on a Trade & Co-operation Agreement, and the associated Political Dialogue Agreement.

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

### **GENERAL PRINCIPLES**

3. This section would define the principles on which the long-term relationship would be based. The E3 and Iran would reaffirm their commitment to the Charter of the United Nations, and recall the United Nations Millennium Declaration and other appropriate international instruments. The E3/EU propose that, within the context of an overall agreement, this section could include, inter alia, the following mutual commitments in conformity with the Charter of the United Nations:
  - a. to fulfil in good faith obligations in accordance with the Charter of the United Nations, under the generally recognised principles and rules of international law, and under relevant international agreements;
  - b. to the principle of the resolution of disputes by peaceful means and in conformity with the principles of justice and international law;
  - c. 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;
  - d. to the principle of the sovereign equality of all States;
  - e. to co-operation between States in the various spheres of international relations;
  - f. to promote respect for and observance and protection of human rights and fundamental freedoms for all without distinction of any kind;
  - g. to affirm their commitment to prohibiting discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status; and

- h. to establish conditions under which justice and respect for States' obligations under treaties and international law can be maintained;
- 4. Within the context of an overall agreement and Iran's fulfilment of its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the United Kingdom and France would be prepared to reaffirm to Iran the unilateral security assurances given on 6 April 1995, and referred to in United Nations Security Council Resolution 984 (1995). Specifically:
  - a. the United Kingdom and the French Republic would reaffirm to Iran that they will not use nuclear weapons against non-nuclear-weapon States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons except in the case of an invasion or any attack on them, their dependent territories, their armed forces or other troops, their allies or on a State towards which they have a security commitment, carried out or sustained by such a non-nuclear-weapon State in association or alliance with a nuclear-weapon State; and
  - b. the United Kingdom and the French Republic would recall and reaffirm their intention, as Permanent Members of the Security Council, to seek immediate Security Council action to provide assistance, in accordance with the Charter, to any non-nuclear weapon State, party to Treaty on the Non-Proliferation of Nuclear Weapons, that is a victim of an act of aggression or an object of a threat of aggression in which nuclear weapons are used.

## **AREAS OF CO-OPERATION OF SPECIAL INTEREST**

5. As part of an overall agreement the E3/EU propose that both parties should make commitments in the following areas.

### **Non-proliferation**

6. The E3/EU and Iran would:
  - a. recall the statement of the President of the United Nations Security Council on 31 January 1992 and United Nations Security Council Resolution 1540 (2004) and reaffirm that the proliferation of nuclear, chemical and biological weapons, as well as their means of delivery, constitutes a threat to international peace and security; express grave concern that illicit trafficking in nuclear, chemical and biological weapons, as well as their means of delivery and related materials, which adds a new dimension to the issue of proliferation of such weapons and also poses a threat to international peace and security; co-operate to take appropriate and effective measures against such activities; and stress the importance of effective national export controls;
  - b. reaffirm their commitment to abide by security and non-proliferation treaties to which they are party, and recall the need for more consistent monitoring, effective implementation and, where necessary, firmer enforcement of such treaties;
  - c. stress the importance of universal adherence to and full implementation of and compliance with disarmament and non-proliferation treaties and of the full implementation of the IAEA safeguards agreements and additional protocols; work towards the conclusion of a Fissile Material Cut-Off Treaty; where it has not already been done, conclude an Additional Protocol; become party to the Comprehensive Nuclear Test Ban Treaty; and subscribe to the Hague International Code of Conduct against Ballistic Missile Proliferation;
  - d. reaffirm their commitment to the objective of an effectively verifiable Middle East zone free of weapons of mass destruction,

nuclear, biological and chemical, and their means of delivery, consistent with the resolution on the Middle-East adopted at the 1995 NPT review and extension conference, United Nations Security Council Resolution 687 (1991), and the relevant resolutions of the United Nations General Assembly.

- e. confirm that the prevention of proliferation of WMD should not hamper international co-operation for peaceful purposes, in accordance with the relevant international obligations, while underlining that the goal of peaceful utilisation must not be used as a cover for proliferation.

### **Regional security**

7. The E3/EU recognise that they share a number of specific security concerns and interests with Iran and the important role Iran can potentially play in ensuring regional security and stability. As part of an overall agreement, the E3/EU would welcome an expanded dialogue and relationship on these 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. The E3/EU and Iran would recognise that any regional security arrangements must take account of the legitimate interests of all the countries in the region, thus contributing to the stability and security of the region as a whole.
8. In this context, the E3/EU would recall their and Iran's past and present contributions to the reconstruction of Afghanistan and Iraq, and reaffirm their determination to strengthen co-operation in these areas, and to work together to support the political process in both these countries with the goal of establishing democratic and stable states, based on the rule of law, which coexist with their neighbours, and by preventing any support and encouragement for groups that use violence for political ends.

### **Terrorism**

9. The E3/EU and Iran would commit themselves to supporting the declaration on terrorism proposed by the Secretary General for the United Nations Millennium Summit, recognising that this definition might evolve

before or during the Summit itself. This states that ‘the targeting and deliberate killing of civilians and non-combatants cannot be justified or legitimised by any cause or grievance, and ... that any action which is intended to cause death or serious bodily harm to civilians or non-combatants, when the purpose of such an act, by its nature or context, is to intimidate a population or to compel a government or an international organisation to do or to abstain from any act constitutes an act of terrorism’. To this end, the E3/EU and Iran would commit themselves to:

- a. combat by all means, in accordance with the Charter of the United Nations, threats to international peace and security caused by terrorist acts;
- b. complement international co-operation by taking additional measures to prevent and suppress, through all lawful means, the financing and preparation of any act of terrorism, in the framework of full implementation of United Nations Security Council Resolution 1373; and
- c. refrain from organising, instigating, assisting or participating in terrorist acts in another State or acquiescing in organised activities in their territories directed towards the commission of such acts.

### **Combating drug trafficking**

10. The E3/EU recognise that Iran has been and will continue to be a key international partner for the EU in stemming the flow of opiates to Europe and therefore commit to developing co-operation on issues related to: illicit drug production, drug trafficking, chemical precursors trafficking, money-laundering, drug demand reduction, preventative and educational measures, treatment and rehabilitation of drug abusers, and assistance in drafting national legislation.
11. In support of this goal the E3/EU will:

- a. actively support efforts to establish an EU Action Plan with Iran, building on the ‘EU commitments to action’;

- b. actively support international programmes designed to tackle Iran's drug problem;
- c. take steps with Iran to implement joint projects in close consultation with Afghanistan and Iraq to establish border police structures, training of police officers and border management. As a first step, the E3/EU will focus their co-operation on enhancing capacities for Afghan/Iranian co-operation in the fields of cross-border police co-operation, intensified communication on both sides of the border, as well as the training of customs officers, and on the development of projects on demand and harm reduction in Iran.

## **IMPLEMENTATION MECHANISM**

12. In the course of the negotiation the E3/EU and Iran would establish an appropriate consultation and co-operation mechanism with a view to developing a long-term relationship on political and security issues, taking into account the continuing EU-Iran negotiations on a Political Dialogue Agreement.
13. To this end, the E3/EU propose the creation of a high-level committee on political and security issues, which would be made up of representatives from respective Foreign Affairs and Defence authorities. This Committee, which would meet periodically, would review progress on this part of the agreement and provide a forum for discussing issues of regional, international and mutual interest. The Committee would report regularly to the appropriate EU bodies and to the Government of Iran.

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

#### **PRINCIPLES**

14. The E3/EU 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.
15. The E3/EU recognise Iran's right to develop a civil nuclear power generation programme to reduce its dependence on oil and gas and to choose the most appropriate mix of energy sources to meet its needs as it perceives them, consistent with its international obligations.
16. The E3/EU therefore declare, within the context of an overall agreement and a mutually acceptable agreement on long-term arrangements, 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.
17. The E3/EU fully support long-term co-operation in the civil nuclear field between Iran and Russia.

## **FRAMEWORK**

18. Within the context of an overall agreement, co-operation between the E3/EU and Iran in the civil nuclear field would move forward within the following framework:
- a. Iran would have access to the international nuclear technologies market where contracts are awarded on the basis of open competitive tendering, recognising the right of companies to determine their own commercial strategies and choices;
  - b. 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;
  - c. under United Nations Security Council Resolution 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**

19. In line with these principles, and in the context of an overall agreement and growing confidence between the E3/EU and Iran, the E3 would support the development of Iran's civil nuclear programme in the following areas:
  - a. in the field of civil nuclear research through implementation of the E3/EU's offer of an expert mission to help identify the requirement for a research reactor in Iran and how best to meet that requirement. The E3/EU would ensure Iran faced no discriminatory obstacles to filling the requirements jointly identified; and
  - b. in other fields of peaceful use of nuclear energy, excluding fuel-cycle related activity, the E3/EU would commit themselves not to impede participation in open competitive tendering.
  
20. The E3 Governments also support the development of co-operation in the following main areas, to be included in a final agreement:
  - a. in fields such as radio-isotope production, basic research and the peaceful use of nuclear energy in the fields of medicine and agriculture, subject to further expert discussion between the two sides;
  - b. 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. This could include formalised co-operation between regulators to share developed expertise and offering advice on security aspects such as the implementation of the Convention on the Physical Protection of Nuclear Materials, after Iran's accession to the Convention in its amended version. These areas of co-operation could be refined during the proposed visit of Iranian experts to the E3/EU.
  
21. To this end, the E3/EU will actively support commencement of negotiations on an agreement between EURATOM and Iran. This would

create a framework for closer co-operation between Iran and all EU Member States.

## **FUEL ASSURANCES**

22. The E3/EU recognise that Iran should have sustained access to nuclear fuel for the Light Water Reactors forming Iran's civil nuclear industry. These arrangements are currently provided for through bilateral agreements and contracts with states/companies with which it is engaged in nuclear co-operation. The E3/EU note that under the Iran/Russia agreement on nuclear co-operation, Russia has committed itself formally to supplying nuclear fuel for the life-time of Russian-built reactors in Iran. But the E3/EU stand ready to explore additional ideas in this context.
23. 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 propose to develop with Iran a framework which would provide such assurance, without prejudicing any future multilateral arrangements developed under IAEA auspices.
24. Both the E3/EU and Iran would aim to have IAEA (or possibly other international) endorsement for any framework developed, and the IAEA might be invited to monitor the operation of the mechanism and certify its operation on objective principles.
25. Any fuel provided would be under normal market conditions and commercial contracts and subject to proliferation proof arrangements being agreed for safety, transport and security of the fuel, including the return of all spent fuel.
26. The framework could involve a combination of the following mutually reinforcing measures:

**a. E3/EU – Iran ad hoc mechanism**

27. This would involve establishment of a specific mechanism to be agreed between the E3/EU and Iran should the contracted supplier not be in a position to provide the fuel pursuant to its agreements with Iran for non-commercial reasons not connected with proliferation or safeguards related concerns and Iran faced serious difficulty in procuring the nuclear fuel necessary for the safe and sustained functioning of its Light Water reactors. In such an event, the E3/EU and Iran would immediately convene an ad hoc senior officials meeting to assess the situation, and identify and review relevant measures. The E3/EU Governments would, in parallel convene a meeting with relevant companies to review what action could be taken to avoid any shortage of energy. The IAEA could, as appropriate, be invited to such meetings for advisory purposes.
28. The mechanism might seek initially to restore fuel supplies from the contracted supplier. If this was not possible, it could seek to identify an alternative fabricator capable of producing the required design of reactor fuel. If no such fabricator could be identified, possibilities would be investigated to establish and licence a new fabrication line, outside Iran, able to meet the future fuel supply needs at market prices. Any such alternative supply mechanism would be dependent on satisfactory arrangements being established for long-term management of spent fuel outside Iran.
29. The E3/EU would commit themselves to exploring ways with industry to provide assured enrichment services at market prices for fuel fabrication outside Iran if the usual enrichment services provider were unable to meet its contractual obligations for non-commercial reasons; how such a commitment would be formally presented remains to be defined.

**b. Establishment of a buffer store**

30. In order to provide the necessary time for a solution to be found through the E3/EU – Iran ad hoc mechanism without adversely impacting the operation of Iran's nuclear power reactors, the E3/EU commit themselves to assisting in the establishment of a buffer store of fuel, sufficient to maintain supplies at the contracted rate for a period of 5 years. This store would be physically located in a mutually acceptable third country, and

would be available to draw from while long-term arrangements are put in place. The E3/EU would welcome early discussion with Iran on establishment, maintenance and use of the buffer store.

**c. Multilateral arrangements**

31. The E3/EU and Iran would engage with the IAEA and others to develop international mechanisms following on from the ideas identified in the “Multilateral Nuclear Approaches” report on security of fuel supply.

**CONFIDENCE BUILDING**

32. The E3/EU reaffirm Iran’s inalienable right to the peaceful use of nuclear energy, exercised in conformity with the NPT. In this context, the support of E3 countries for expanding international co-operation in Iran’s civil nuclear sector and for the development of a safe, economically viable and proliferation proof civil nuclear power generation and research programme will present Iran with new opportunities.
33. Effective long-term co-operation between Iran and the international community in the civil nuclear field along the lines set out in this document will, however, require the continued building of confidence over a significant period.
34. 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 in Paragraph 58.
35. The E3/EU would expect Iran to invite the IAEA to agree a mechanism to verify the implementation of the final agreement.
36. As an essential element of this mechanism for international confidence building, Iran would undertake to:

- a. make a legally binding commitment not to withdraw from the NPT and to keep all Iranian nuclear facilities under IAEA safeguards under all circumstances;
- b. ratify its Additional Protocol, in accordance with its existing commitment, by the end of 2005;
- c. in the meantime, fully implement the Additional Protocol pending its ratification and to co-operate proactively and in a transparent manner with the IAEA to solve all outstanding issues pursuant to the Safeguards Agreement and Additional Protocol including by allowing IAEA inspectors to visit any site or interview any person they deem relevant to their monitoring of nuclear activity in Iran; and
- d. agree arrangements for the supply of fresh fuel from outside Iran and commit to returning all spent fuel elements of Iranian reactors to the original supplier immediately after the minimum cooling down period necessary for transportation.

37. 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 repeat their existing offer to send an expert mission to Iran to help identify research requirements and the most suitable type of equipment to meet those requirements.

38. The E3/EU would work with Iran to establish a group to identify alternative uses for the equipment, installations, facilities and materials whose use, construction, testing or development 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.

## **CONSULTATION MECHANISM**

39. The E3/EU and Iran would conduct regular consultations on the peaceful uses of nuclear energy and the development of the Iranian civil nuclear programme through a specific consultation mechanism to be agreed.

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

### **PRINCIPLES**

40. The E3/EU consider that 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 Europe and Iran.

### **ENERGY CO-OPERATION**

41. The E3/EU would recognise the fundamental importance of energy co-operation to their long-term relationship with Iran. As part of an overall agreement:
- a. the E3/EU and the European Commission would be prepared to issue a policy declaration that they regard Iran as a long-term source of fossil energy for the European Union and recognise the growing importance of Iranian gas supplies to Europe in the coming years;
  - b. the E3/EU and the European Commission would commit to developing a strategic energy partnership through the Trade and Co-operation Agreement and in this context through the High Level Working Group on Energy;
  - c. in the context of the High Level Working Group on Energy and in the framework of the Memorandum of Understanding of 19 October 2002 between the European Commission and the Iranian Ministry of Petroleum on co-operation in the energy sector, the European Commission would explore the possibility of opening the EU-Iran Management and Technology Centre with a view to commissioning joint studies on areas in which the EU and Iran can develop co-operation in the energy sector as well as providing

technical support for the implementation of the policy declaration mentioned in Paragraph 41a;

- d. the E3/EU and Iran, as well as the Commission, would discuss possible future oil and gas pipeline projects.

## **PROMOTION OF TRADE AND INVESTMENT**

42. The E3/EU recognise the importance of the proposed EC/Iran Trade & Co-operation Agreement to developing the long-term commercial and economic relationship between the EU and Iran, noting that this will facilitate market access, promote commercial exchanges, and open up a wide range of further co-operation activities in the economic, commercial and other fields.
43. As part of any overall agreement the E3/EU would therefore commit themselves to working to bring the current negotiations between Iran and the European Community on a Trade & Co-operation Agreement, and the associated Political Dialogue Agreement, to an early conclusion.
44. The E3/EU and Iran would agree to continue and strengthen mutually beneficial practices in the areas of export credits and investment guarantees, particularly in light of the additional confidence that an overall agreement and a closer political and economic relationship would give to investors and export credit agencies alike.

## **WTO ACCESSION**

45. The E3/EU welcome Iran's successful application to open WTO accession talks, recalling that this has been a significant benefit of the dialogue initiated by the Paris Agreement.
46. The E3/EU confirm their continued political support for Iranian accession to the WTO and their willingness to offer technical support to assist Iran in making the necessary technical adjustments to its economy. Working with the WTO Secretariat and Commission, the E3 would agree to offer assistance to help Iran with WTO compliance, including on tariff

structures, technical barriers to trade, rules of origin, intellectual property, and other areas as appropriate.

## **PROMOTING TRADE AND TRANSFER OF TECHNOLOGY: EXPORT CONTROLS**

47. The E3/EU note that enhanced confidence regarding the civilian end-use of goods transferred to Iran, including through the establishment of export control systems, would facilitate decisions on individual licences. The E3/EU also recognise that effective export control systems will make a significant contribution to developing mutually beneficial economic relations and state that they apply international export control regimes and respective national and European regulations on a non-discriminatory basis. The E3/EU therefore agree to convene a joint export control workshop in Tehran, which would allow for exchanges on the implementation of United Nations Security Council Resolution 1540 and national/EC laws.
48. As a follow up the E3/EU is also prepared to offer support to Iran in establishing an efficient system of export controls.
49. Civil aviation. The E3/EU would continue to promote the sale of aircraft parts to Iran and be willing to enter into discussion about open procurement of the sale of civil passenger aircraft to Iran.

## **SCIENTIFIC AND TECHNOLOGICAL CO-OPERATION**

50. Recognising the benefits of scientific and academic co-operation to both sides, the E3/EU commit to developing long-term scientific co-operation with Iran.
51. In this context, the European Union, through the Commission, would agree to send an expert team to Iran to draw up Iran's 'Scientific Profile', within the context of the EC/Iran Trade & Co-operation Agreement.
52. The E3/EU would agree to facilitate Iran's access to advanced technologies, respecting national law and international commitments

regarding export control; they would strengthen existing and encourage new scientific co-operation between scientists, universities and scientific institutes. This co-operation should cover both fundamental and applied research.

53. In the field of environmental technologies, the E3/EU would be prepared to develop co-operation with Iran in the fields of water supply, waste management, protection of natural habitats and preparedness for natural disasters.
54. In the field of communications and information technology, the E3/EU would be prepared to co-operate with Iran to improve internet connection stability.
55. The E3/EU would also be interested in developing and deepening co-operation with Iran through relevant international fora, particularly in the field of air pollution.
56. Education and vocational training. The E3/EU would be prepared, through their relevant agencies, to co-operate with Iran in developing its system of vocational education.

## **BUILDING A STRUCTURE OF ECONOMIC AND TECHNOLOGICAL CO-OPERATION**

57. The E3/EU and Iran would look to invigorate co-operation through a mechanism, to be agreed, to complement any wider EU/Iran structures agreed under the Trade & Co-operation Agreement, and cover other areas of mutual interest, although of lower priority than those set out above, including but not exclusively:
  - Air transport safety. The E3/EU would co-operate in the fields of air traffic management, certification, accident, investigation and airport security.
  - Railway transport. The E3/EU would co-operate with Iran in establishing a transport master plan; they will encourage and support

co-operation with Iran in the area of railway rolling stock, signalling and high speed technology.

- Maritime transport. The E3/EU would facilitate the negotiation of a maritime transport agreement with Iran.
- Seismology and seismic mapping. The E3 would, through their relevant institutions contribute to a seismic mapping exercise, with a focus on the most densely populated areas of Iran and work to develop co-operation in the fields of risk and disaster management.
- Infrastructure. The E3/EU would facilitate access to European technology related to constructing earthquake resistant buildings.
- Agriculture and food industry. The E3/EU would be prepared to offer co-operation in ecological agriculture, including natural herbicides and pesticides, food safety; and the regulations and trade aspects of sanitary and phytosanitary standards.
- Tourism. The E3/EU would be prepared to assist Iran in developing its reputation as a tourist destination and support co-operation in the development of new tourist resorts.

## **V. REVIEW MECHANISM**

58. 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 these arrangements would be subject to explicit agreement by both the E3/EU and Iran.
59. The E3/EU would be willing to circulate the final agreement as an IAEA Information Circular (INFCIRC) and UN Document for information and with a view to possible endorsement by the international community.

## **Response of the Islamic Republic of Iran to the Framework Agreement proposed by EU3/EU**

The proposal presented by the E3/EU on August 5, 2005 is a clear violation of international law and the Charter of the United Nations, the NPT, Tehran Statement and the Paris Agreement of November 15, 2004.

The proposal self-righteously assumes rights and licenses for the E3 which clearly go beyond or even contravene international law and assumes obligations for Iran which have no place in law or practice.

The proposal incorporates to a series of one sided and self serving extra-legal demands from Iran, ranging from accepting infringements on its sovereignty to relinquishing its inalienable rights.

- It seeks to intimidate Iran into accepting intrusive and illegal inspections which go well beyond the Safeguards Agreement or the Additional Protocol as well as the provisions of the IAEA Statute and its mandate;
- It asks Iran to abandon most of its peaceful nuclear program;
- It also seeks to establish a subjective, discriminatory and baseless set of criteria for Iranian nuclear program.
- Such criteria would effectively dismantle most of Iran's peaceful nuclear infrastructure;
- Criteria that if applied globally, would only monopolize the nuclear industry for the Nuclear Weapon States.

The proposal - in spite of its size - has absolutely no firm guarantees or commitments and does not even incorporate meaningful or serious offers of cooperation to Iran.

- It amounts to an elongated but substantively shortened and self-serving revised version of an offer proposed by E3 and rejected by Iran prior to the Paris Agreement in October 2004 in Vienna.
- In the area of security, the proposal does not go beyond repeating UN Charter principles and previously made general commitments.
- The proposal even attempts to make E3's commitment to those general principles of international law optional, partial and conditional.
- In the area of technology cooperation it fails to include even an indication - let along guarantees - of the E3/EU's readiness to abandon or ease its violations of international law and the NPT with regard to Iran's access to technology. For instance, while under the NPT, the E3 is obliged to facilitate Iran's access to

technology, the proposal makes a conditional and ambiguous offer 'not to impede'.

- In the area of economic cooperation, it only includes a conditional recital of already existing commitments and arrangements.

The proposal not only violates the Paris Agreement, but in fact makes a mockery of that agreement.

- The proposal never even mentions the terms 'objective guarantees', 'firm guarantees' or 'firm commitments', thereby indicating the total departure of its authors from the foundations of the Paris Agreement;
- The proposal equates 'objective guarantees' with termination of Iran's hard gained peaceful nuclear program.
- At the same time, it equates 'firm guarantees and firm commitments' with vague, conditional, and partial restatements of existing obligations.

In sum, the proposal is extremely long on demands from Iran and absurdly short on offers to Iran and it shows the lack of any attempt to even create a semblance of a balance. It amounts to an insult on the Iranian nation, for which the E3 must apologize.

# Board of Governors

**GOV/2005/64**  
Date: 11 August 2005

Original: English

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**For official use only**

The provisional agenda  
(GOV/2005/59)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran and related Board resolutions Resolution adopted on 11 August 2005

The Board of Governors,

- (a) Recalling the resolutions adopted by the Board on 29 November 2004 (GOV/2004/90), 18 September 2004 (GOV/2004/79), 18 June 2004 (GOV/2004/49), 13 March 2004 (GOV/2004/21), 26 November 2003 (GOV/2003/81) and on 12 September 2003 (GOV/2003/69) and the statement by the Board of 19 June 2003 (GOV/OR.1072),
- (b) Recalling that in the resolution adopted on 18 September 2004 (GOV/2004/79) the Board considered it necessary, to promote confidence, that Iran immediately suspend all enrichment-related activities, including the production of feed material, including through tests or production at the UCF,
- (c) Recalling that in its resolution adopted on 29 November 2004 (GOV/2004/90) the Board noted with interest the agreement between Iran, France, Germany and the UK with the support of the High Representative of the EU, made public on 15 November 2004 (INFCIRC/637),
- (d) Reaffirming that, as underlined in the resolution adopted on 29 November 2004 (GOV/2004/90), the full and sustained implementation of the suspension notified by Iran to the Director General on 14 November, as a further voluntary, non-legally binding confidence-building measure, to be verified by the Agency, is essential to addressing outstanding issues,
- (e) Noting that outstanding issues relating to Iran's nuclear programme have yet to be resolved, and that the Agency is not yet in a position to conclude that there are no undeclared nuclear materials or activities in Iran,
- (f) Recalling the Director General's assessment in GOV/2004/83 that all the declared nuclear material in Iran had been accounted for, and that such material had not been diverted to prohibited activities,

(g) Recognising the right of states to the development and practical application of atomic energy for peaceful purposes, including the production of electric power, consistent with their Treaty obligations, with due consideration for the needs of developing countries, and

(h) Stressing the need for effective safeguards to prevent nuclear material being used for prohibited purposes, in contravention of legally binding agreements, and underlining the vital importance of effective safeguards for facilitating cooperation in the field of nuclear energy,

1. Expresses serious concern at the 1 August 2005 notification to the IAEA that Iran had decided to resume the uranium conversion activities at the Uranium Conversion Facility in Esfahan, at the Director General's report that on 8 August Iran started to feed uranium ore concentrate into the first part of the process line at this facility and at the Director General's report that on 10 August Iran removed the seals on the process lines and the UF<sub>4</sub> at this facility;
2. Underlines the importance of rectifying the situation resulting from the developments reported by the Director General and also of allowing for further discussions in relation to that situation;
3. Urges Iran to re-establish full suspension of all enrichment related activities including the production of feed material, including through tests or production at the Uranium Conversion Facility, on the same voluntary, non-legally binding basis as requested in previous Board resolutions, and to permit the Director General to re-instate the seals that have been removed at that facility;
4. Requests the Director General to continue to monitor closely the situation and to inform the Board of any further developments as appropriate;
5. Requests the Director General to provide a comprehensive report on the implementation of Iran's NPT Safeguards Agreement and this resolution by 3 September 2005; and
6. Decides to remain seized of the matter.

# Board of Governors

**GOV/2005/67**  
Date: 2 September 2005

Original: English

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**For official use only**

Item 6(d) of the provisional agenda  
(GOV/2005/57)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. A meeting of the Board of Governors was held from 9 to 11 August 2005 to discuss the implementation of the Agreement between the Islamic Republic of Iran (hereinafter referred to as Iran) and the Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) (the Safeguards Agreement<sup>1</sup>).
2. On 11 August 2005, the Board of Governors adopted a resolution (GOV/2005/64) in which it, inter alia:
  - Expressed serious concern at the 1 August 2005 notification to the IAEA that Iran had decided to resume the uranium conversion activities at the Uranium Conversion Facility (UCF) in Esfahan, at the Director General's report that on 8 August Iran had started to feed uranium ore concentrate into the first part of the process line at UCF and at the Director General's report that on 10 August Iran had removed the seals on the process lines and the UF<sub>4</sub> at that facility;
  - Underlined the importance of rectifying the situation resulting from the developments reported by the Director General and also of allowing for further discussions in relation to that situation;
  - Urged Iran to re-establish full suspension of all enrichment related activities including the production of feed material, including through tests or production at UCF, on the same voluntary, non-legally binding basis as requested in previous Board resolutions, and to permit the Director General to re-instate the seals that had been removed at that facility;
  - Requested the Director General to continue to monitor closely the situation and to inform the Board of any further developments as appropriate; and
  - Requested the Director General to provide a comprehensive report on the implementation of Iran's NPT Safeguards Agreement and this resolution by 3 September 2005.

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<sup>1</sup> INFCIRC/214.

3. Since March 2003, the Director General has been reporting to the Board of Governors on issues related to the implementation of Iran's Safeguards Agreement.<sup>2</sup> The present report builds upon the previous reports.

## A. Findings as of November 2004

4. In the comprehensive report of the Director General to the Board of Governors dated 15 November 2004 (GOV/2004/83), it was concluded, on the basis of all information available to the Agency as of that date, that Iran had failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material, its processing and its use, as well as the declaration of facilities where such material had been processed and stored. In that report, these failures, as assessed in the light of the available information, were summarized as follows:

- a. Failure to report:
  - (i) the import of natural uranium in 1991, and its subsequent transfer for further processing;
  - (ii) the activities involving the subsequent processing and use of the imported natural uranium, including the production and loss of nuclear material where appropriate, and the production and transfer of waste resulting therefrom;
  - (iii) the use of imported natural UF<sub>6</sub> for the testing of centrifuges at the Kalaye Electric Company workshop in 1999 and 2002, and the consequent production of enriched and depleted uranium (DU);
  - (iv) the import of natural uranium metal in 1993 and its subsequent transfer for use in laser enrichment experiments, including the production of enriched uranium, the loss of nuclear material during these operations and the production and transfer of resulting waste;
  - (v) the production of UO<sub>2</sub>, UO<sub>3</sub>, UF<sub>4</sub>, UF<sub>6</sub> and ammonium uranyl carbonate (AUC) from imported depleted UO<sub>2</sub>, depleted U<sub>3</sub>O<sub>8</sub> and natural U<sub>3</sub>O<sub>8</sub>, and the production and transfer of resulting wastes; and
  - (vi) the production of natural and depleted UO<sub>2</sub> targets at the Esfahan Nuclear Technology Centre (ENTC) and their irradiation in the Tehran Research Reactor (TRR), the subsequent processing of those targets, including the separation of plutonium, the production and transfer of resulting waste, and the storage of unprocessed irradiated targets at the Tehran Nuclear Research Centre (TNRC).

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<sup>2</sup> The initial report to the Board of Governors on this matter was provided by the Director General orally at the Board's meeting on 17 March 2003. The Director General has since then submitted ten written reports to the Board: GOV/2003/40, dated 6 June 2003; GOV/2003/63, dated 26 August 2003; GOV/2003/75, dated 10 November 2003; GOV/2004/11, dated 24 February 2004; GOV/2004/34, dated 1 June 2004, and Corr.1, dated 18 June 2004; GOV/2004/60, dated 1 September 2004; GOV/2004/83, dated 15 November 2004; INFCIRC/648, dated 1 August 2005; GOV/2005/61, dated 8 August 2005; and GOV/2005/62, dated 10 August 2005. In addition, the Deputy Director General for Safeguards made oral statements to the Board on 1 March 2005 (GOV/OR.1119) and on 16 June 2005 (GOV/OR.1130).

- b. Failure to declare:
  - (i) the pilot enrichment facility at the Kalaye Electric Company workshop; and
  - (ii) the laser enrichment plants at TNRC and the pilot uranium laser enrichment plant at Lashkar Ab'ad.
- c. Failure to provide design information, or updated design information, for:
  - (i) the facilities where the natural uranium imported in 1991 (including wastes generated) was received, stored and processed (the Jabr Ibn Hayan Multipurpose Laboratories at TNRC (JHL); TRR; ENTC; waste storage facility at Esfahan and Anarak);
  - (ii) the facilities at ENTC and TNRC where  $UO_2$ ,  $UO_3$ ,  $UF_4$ ,  $UF_6$  and AUC from imported depleted  $UO_2$ , depleted  $U_3O_8$  and natural  $U_3O_8$  had been produced;
  - (iii) the waste storages at Esfahan and at Anarak, in a timely manner;
  - (iv) the pilot enrichment facility at the Kalaye Electric Company workshop;
  - (v) the laser enrichment plants at TNRC and Lashkar Ab'ad, and locations where resulting wastes had been processed and stored, including the waste storage facility at Karaj; and
  - (vi) TRR, with respect to the irradiation of uranium targets, and the facility at TNRC where plutonium separation had taken place, as well as the waste handling facility at TNRC.
- d. Failure on many occasions to cooperate to facilitate the implementation of safeguards, as evidenced by extensive concealment activities.

5. As corrective actions, Iran:

- a. Submitted inventory change reports relevant to imports, transfers, domestic receipts and shipments, losses and discards of nuclear material;
- b. Provided physical inventory listings and material balance reports with respect to all declared nuclear material, and presented the available material for Agency verification;
- c. Submitted declarations with respect to the pilot enrichment facility at the Kalaye Electric Company workshop, the laser enrichment plants at TNRC and Lashkar Ab'ad and the waste storages at Esfahan and Anarak; and
- d. Provided design information with respect to the facilities identified above (the facilities located at TNRC and ENTC).

6. As a result of these corrective actions and other activities, the Agency was able by November 2004 to confirm certain aspects of Iran's declarations (related to conversion activities and laser enrichment), which, as indicated to the Board, would be followed up as matters of routine safeguards implementation under the Safeguards Agreement and Additional Protocol.

7. As reported to the Board of Governors in March 2005, Iran failed to report to the Agency in a timely manner certain underground excavation activities that were already underway in December 2004 at the UCF at Esfahan. Although Iran submitted the necessary design information in December 2004, Iran should have provided such information to the Agency at the time the decision

was taken to authorize or carry out such construction, in accordance with the Safeguards Agreement Subsidiary Arrangements.

8. No additional failures have been identified. Iran has, however, provided some new information with respect to the dates of the plutonium research activities that is at variance with some of the dates provided earlier (see discussion below). As in November 2004, while there are a number of other matters requiring follow-up, the two important outstanding issues relevant to the Agency's efforts to provide assurance that there is no undeclared nuclear material and that there are no undeclared enrichment activities in Iran are: the origin of LEU and HEU<sup>3</sup> particle contamination found at various locations in Iran; and the extent of Iran's efforts to import, manufacture and use centrifuges of both the P-1 and P-2 designs.

## **B. Developments since November 2004**

### **B.1. Contamination**

9. As a vital part of its investigation into Iran's enrichment programme, the Agency has conducted extensive environmental sampling at locations where Iran has declared that centrifuge components were manufactured, used and/or stored, with a view to assessing the correctness and completeness of Iran's declarations concerning its enrichment activities.<sup>4</sup>

10. Analysis of these samples has revealed particles of LEU and HEU indicative of types of nuclear material that are not included in Iran's inventory of declared nuclear material, and has thus called into question the completeness of Iran's declarations about its centrifuge enrichment activities. The Iranian authorities have attributed the presence of these particles to contamination originating from imported centrifuge components. In that context, Iran has stated that it has not enriched uranium beyond 1.2% U-235 using centrifuges.

11. In January 2005, an Agency team re-visited locations in a Member State where, according to Iran, the centrifuge components imported by Iran had been stored by the supply network prior to their shipment to Iran. Additional samples were taken in March 2005 at one of the locations. The analysis of the environmental samples collected at these locations is still in progress.

12. On 21 May 2005, the Agency received from another Member State a number of centrifuge components, environmental sampling of which was thought might provide information on the origin of the LEU and HEU particle contamination found at various locations in Iran. The analysis of swipe samples taken from those components, which was carried out at the Agency's Safeguards Analytical Laboratory (SAL), was completed in early August 2005. Based on the information currently available to the Agency, the results of that analysis tend, on balance, to support Iran's statement about the foreign origin of most of the observed HEU contamination.

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<sup>3</sup> High enriched uranium (HEU) is uranium enriched to 20% or above in the isotope U-235; low enriched uranium (LEU) is uranium enriched to between 0.72% and less than 20% U-235.

<sup>4</sup>The most important observations with respect to the analytical results from the environmental sampling, as of 15 November 2004, were summarized in paras 36–41 of the Director General's November 2004 report to the Board.

## **B.2. Enrichment Programme**

13. As explained by the Deputy Director General for Safeguards (DDG-SG) in March 2005, there have been developments since November 2004 in four areas related to the Agency's verification of Iran's P-1 centrifuge enrichment programme, specifically in connection with: (a) a 1987 offer for centrifuge related design, technology and sample components; (b) the genesis of the mid-1990s offer for P-1 centrifuge documentation and components for 500 centrifuges; (c) shipping documents and other documentation related to the delivery of items in connection with the mid-1990s offer; and (d) technical discussions held between Iran and the intermediaries concerning centrifuge enrichment. These developments, as well as the status of the Agency's inquiries about Iran's P-2 programme, are addressed below.

### **B.2.1. The 1987 offer**

14. During a meeting on 12 January 2005 in Tehran, Iran showed the Agency a handwritten one-page document reflecting an offer said to have been made to Iran in 1987 by a foreign intermediary. The document suggests that the offer was for the delivery of: a sample machine (disassembled), including drawings, descriptions and specifications for production; drawings, specifications and calculations for a "complete plant"; and materials for 2000 centrifuge machines. The document also reflects an offer to provide auxiliary vacuum and electric drive equipment and uranium re-conversion and casting capabilities. Iran stated that only some of these items had been delivered, and that all of those items had been declared to the Agency. Iran further stated that the intermediaries had offered the re-conversion unit with casting equipment on their own initiative and that, as the Atomic Energy Organization of Iran (AEOI) had not requested it, the AEOI had not received it.

15. The Agency has repeatedly asked to have access to, and copies of, original documentation related to the 1987 offer. Iran has maintained that the only document that exists reflecting the 1987 offer is the handwritten one-page document. Iran has also reiterated its previous statement that it had not received the re-conversion unit, but has agreed to continue its search for additional supporting documentation on this and other items included in the offer.

### **B.2.2. Genesis of the mid-1990s offer**

16. Iran has informed the Agency that there is no written document reflecting the mid-1990s offer, made initially to an Iranian company unrelated to AEOI, for the delivery of P-1 centrifuge documentation and components for 500 centrifuges. According to Iran, an employee of that company (said by Iran to have been set up to purchase computer software and hardware for the State Organization for Management and Planning (OMP) was approached with an oral offer from the network. This information was conveyed to the head of the OMP, who, according to Iran, realized that the OMP did not have a mandate for the transaction, and reported it to higher authorities. The President of the AEOI was made aware of the offer, which resulted in renewed contacts in 1993 between the AEOI and the network intermediaries.

### **B.2.3. Shipping documents and other documentation**

17. The Agency has sought from Iran access to documentation which supports Iran's declarations concerning the number of shipments of enrichment related equipment received by Iran, and the specific contents of those shipments. In January 2005, Iran provided the Agency with copies of a number of shipping documents indicating four shipments between 1994 and 1995. In a letter dated 14 April 2005, the Agency asked Iran for permission to review the original folder containing the 1994 shipping documents and to be provided with supporting documents reflecting the content of the shipments made in the 1994 consignments. In August 2005, Iran showed the Agency the originals of

the shipping documents, as well as customs clearance sheets relevant to the 1994/1995 shipments. However, these documents did not provide additional details about the actual contents of the shipments. The Agency has reiterated its request for more information about the contents, and in particular for access to unpacking and storage documents. While Iran has stated that very few such records had been kept in those days, it has agreed to search further for such information.

18. From the shipping documents presented to the Agency in January 2005, it appeared that the first deliveries of the P-1 components started in January 1994, i.e. before what had previously been declared as the first meeting, in October 1994, of the two AEOI representatives with the network intermediaries. In its letter of 6 April 2005, Iran stated that, having checked the service passport of one of the AEOI representatives, "it is clear that he had made two trips relating to the matter in August and December 1993." Since this was not consistent with the earlier information provided by that individual during his discussions with the Agency, the Agency asked to see original supporting documentation (e.g. passports) of the two Iranian representatives who had participated in the meetings with the intermediaries. In August 2005, Iran allowed the Agency to review the service passport of one of the Iranian representatives, which contained stamps appearing to corroborate Iran's statement regarding the two trips in 1993. Iran promised to provide further clarification about the trips said by that individual to have taken place in 1994, and to provide supporting documentation for such clarification.

#### **B.2.4. Technical discussions between Iran and the intermediaries**

19. The Agency still needs to understand what contacts took place during the period 1987 through 1993 between Iran and the intermediaries and why P-1 centrifuge design documents similar to those that had been provided in 1987 were delivered again in connection with the offer made around 1994. This is important for establishing the chronology and sequence of events associated with the development of Iran's enrichment programme, in particular with a view to ensuring that there has been no other development or acquisition of enrichment design, technology or components by Iran. The Agency also has inquired about other subsequent contacts between Iran and the intermediaries (from 1994 to the present). In its communication received on 8 June 2005, Iran stated that, apart from the meetings and discussions about which Iran had already informed the Agency, no other discussions on centrifuge enrichment had taken place.

#### **B.2.5. The P-2 programme**

20. Another aspect of the Agency's investigation is related to Iran's statement that it did not pursue any work on the P-2 design between 1995 and 2002. As reported in November 2004, Iran has stated that no work was carried out on the P-2 design (or any centrifuge design other than the P-1 design) prior to 2002. Iran has said that, due a shortage in professional resources and changes in the management of the AEOI, priority had been placed at that time on resolving difficulties being encountered by Iran in connection with the P-1 centrifuge. The reasons given by Iran for the apparent gap between 1994/1995 (when the P-2 design was said to have been received) and 2002, and the evidence provided to date in support thereof, do not yet provide sufficient assurance that no related activities were carried out during that period, particularly given that the individual contracted to work with the P-2 design was able to make modifications necessary for composite rotors within a short period after early 2002 when, according to Iran, he had seen the drawings for the first time.<sup>5</sup> Iran has been requested to provide more information, along with any supporting documentation, relevant to the P-2 programme, in particular with regard to the scope of the original offer related to the P-2 design and Iran's acquisition of items in connection with that programme.

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<sup>5</sup> See GOV/2004/83, paras 42–48, for a more complete detailing of this issue.

### **B.3. Plutonium Experiments**

21. As indicated in previous reports to the Board, the Agency has been pursuing with Iran the issue of the date of its plutonium separation experiments, which Iran initially said had begun in 1988 and were completed in 1993. Iran also stated that no plutonium had been separated since then.<sup>6</sup>

22. The result of the Agency's analysis of plutonium solutions sampled by it in September 2004 confirmed the Agency's earlier finding that the age of the plutonium solutions in the bottles appeared to be less than the declared 12–16 years, indicating that the plutonium could have been separated after 1993. During follow up discussions with Iran in April 2005, Iran told the Agency that, in 1995, the plutonium nitrate solution contained in one of the two bottles said to have been a result of the experiments had been purified and a plutonium disk had been produced as a result for alpha spectroscopy, and that, in 1998, the plutonium solution in the other bottle had been purified and another plutonium disk had been produced. Following these discussions, at the request of the Agency, the plutonium disks were shipped to SAL for further analysis to determine the exact isotopic composition of the plutonium.

23. In a letter to the Agency dated 17 June 2005 referring to the statement by the DDG-SG, Iran explained that there was a clear distinction between the date of termination of the research project on plutonium and the dates of the other activities, such as the ones related to purification and related waste management of the liquid, which it had not considered as part of the main research project. Iran reiterated that the "research project had been terminated in 1993" and added, "That is, no more samples were sent for irradiation to the research reactor for the purpose of [plutonium] production and subsequent [plutonium] separation."<sup>7</sup>

24. With the cooperation of Iran, the Agency was able, between 1 and 9 August 2005, to conduct detailed verification of the unprocessed irradiated UO<sub>2</sub> targets stored in four containers. A preliminary assessment of the data collected and the measurements performed during that verification seems to corroborate Iran's declaration with regard to the quantity of uranium present in the containers, although the total number of targets found in those containers was much higher than had been declared by Iran. In a letter dated 24 August 2005, Iran provided further detail about the numbers of targets.

25. A final assessment of Iran's plutonium research activities must await the results of the destructive analysis of the disks and targets.

### **B.4. Uranium Mining and Concentration**

26. As indicated by the DDG-SG in his statement to the Board on 16 June 2005, while there are no indications of undeclared mining or milling activities at Gchine, the Agency has been trying to achieve a better understanding of the complex arrangements governing the past and current administration of the Gchine mine and mill. In particular, the Agency wished to investigate further how a turn-key project for a uranium ore processing plant could have been implemented by a newly founded company, described as having had limited experience in uranium ore processing, in such a relatively short period of time. In particular, the Agency has focused on the period between 2000 and mid-2001,

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<sup>6</sup> As indicated in the November 2004 report to the Board, in November 2003, the Agency took samples from two bottles containing plutonium solutions resulting from the experiments, and placed under Agency seal a number of disks which had been produced from the solutions. In September 2004, the Agency took a second set of samples for further analysis using different analytical techniques at different laboratories.

<sup>7</sup> The Agency's current understanding of Iran's activities in connection with the plutonium separation experiments is set out in Annex 1 to this report.

during which time, according to Iran, the company had been able to design, procure, build and test the grinding process line for the mill.

27. In response to the Agency's request, Iran, in April 2005, showed the Agency, and provided an oral translation of, a copy of a contract dated 13 June 2000. The Agency was also shown a comprehensive set of "as built" drawings provided by the engineering company to the AEOI, as well as a number of other documents and drawings.

28. During a meeting in Iran from 13 to 18 August 2005, the Agency requested to speak with the individual who had previously been in charge of the Gchine project, as well as to the AEOI representative currently in charge of the project. The Agency was only able to meet with the current AEOI representative, who had assumed responsibility for the project in 2002. The AEOI representative provided a chronology of the construction of the uranium ore concentration plant, and in particular, of the design and construction of the grinding process line, stating that procurement of parts for that line had been started in September 2000, that the civil engineering construction had begun in February 2001 and that the equipment was first tested in April 2001.

29. During the meeting, files containing drawings and documents related to the Gchine mine ore processing activities were shown to the Agency. Most of the files were those which had been shown to the Agency in April 2005, and consisted of the final "as built" drawings. Only some of the files contained originals of drawings related to the first attempts to design and construct the grinding process line. In these latter documents, the names of the persons who had designed, drawn, checked or approved the drawings, and the name of the company that had prepared the drawings, along with project numbers and dates, were blacked out. Iran explained that "the coverage of names was done to protect the commercial secret."

30. During the August 2005 meeting, Iran also showed the Agency some of the delivery documents (receipts) for items purchased off the shelf, which matched the time line declared by Iran, as well as examples of purchase orders placed around 2002 with various subcontractors. According to Iran, however, no purchase orders or contracts existed for the procurement of equipment for the grinding process line. Iran explained that, since the company had just started in business in 2000, the company had not had a great deal of experience and had purchased most of the equipment for the grinding process off the shelf with the intention of assembling that part of the facility by itself on site, but that, after the first unsuccessful cold testing, the company had changed its operating practice and had subcontracted for the production of parts for the process lines. According to Iran, this explained the relative abundance of such documentation for the subsequent development of the process line as compared with the paucity of such documentation for the first efforts.

31. In addition to the above questions associated with the chronology, the Agency is still trying to acquire a better understanding about why no work was carried out at the Gchine site between 1993 and 2000. Iran has stated that, during that period, research and development experiments on Gchine ore were carried out at a TNRC laboratory.

## **B.5. Other Implementation Issues**

32. As described in the Director General's November 2004 report, Iran brought into operation in 1985 a Fuel Fabrication Laboratory (FFL) at Esfahan (which is still in operation), about which it informed the Agency in 1993 and for which design information was provided in 1998. Iran is also building a Zirconium Production Plant at Esfahan. Construction of the Fuel Manufacturing Plant at Esfahan, which is scheduled to be commissioned in 2007, was started in 2004. There are no other new developments to report with respect to Iran's fuel fabrication activities. Further follow up of these activities will be carried out as a routine safeguards implementation matter.

33. Iran is in the process of constructing a heavy water research reactor (IR-40) at Arak (planned to go into operation in 2014) and a heavy water production plant (HWPP) at Arak. As indicated in the November 2004 report, the Agency has requested additional information about Iran's efforts to acquire equipment for hot cells for the IR-40. However, no new information has been received concerning hot cell equipment since that time. In March 2005, Agency inspectors visited the Arak site to carry out design information verification (DIV), and noted that construction of the IR-40 building had been started. The March 2005 visit also included complementary access to HWPP, which is currently being commissioned. The Agency will continue to monitor Iran's heavy water reactor programme as a routine safeguards implementation matter.

34. Iran's activities involving polonium extraction, and the Agency's findings with respect thereto, were discussed in paragraphs 79–84 of the November 2004 report.<sup>8</sup> As indicated in that report, the issue is of interest to the Agency since polonium-210 can be used not only for certain civilian applications, but also, in conjunction with beryllium, for military purposes (specifically, as a neutron initiator in some designs of nuclear weapons). There are no new developments to report in connection with the polonium separation experiments. The Agency has, however, investigated evidence provided to it of attempts by Iran to acquire beryllium metal, and has been able to confirm that the attempts indicated in that evidence were not successful.

## **B.6. Cooperation in the Implementation of the Safeguards Agreement and Additional Protocol**

35. The Additional Protocol to Iran's Safeguards Agreement was signed on 18 December 2003. According to Iran, entry into force of the Additional Protocol will require ratification, which has not yet taken place. Notwithstanding, as undertaken in its letter to the Agency of 10 November 2003, Iran has continued to act as if its Additional Protocol is in force.

36. As noted in the Director General's November 2004 report, since December 2003, Iran has facilitated, in a timely manner, Agency access under its Safeguards Agreement and Additional Protocol to nuclear materials and facilities, as well as to other locations in the country, and has permitted the Agency to take environmental samples as requested by the Agency. Iran still maintains some restrictions on the issuance of multiple entry visas to designated inspectors. As of August 2005, Iran had agreed to provide fifteen designated inspectors with such visas.

## **B.7. Transparency Visits and Discussions**

37. Iran has, since October 2003, provided the Agency upon its request, and as a transparency measure, access to certain additional information and locations beyond that required under its Safeguards Agreement and Additional Protocol. A summary of the relevant developments through November 2004 is set out in paragraphs 96–105 of the 15 November 2004 report to the Board.

38. In connection with the Lavisian-Shian site and the two whole body counters (WBCs) that had been located there, as indicated in the November 2004 report to the Board, although Iran's description of events concerning the WBCs appeared to be plausible, the Agency still wished to take environmental samples from the remaining trailer said to have contained one of the WBCs.

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<sup>8</sup> Between 1989 and 1993, Iran irradiated two bismuth targets, and attempted to extract polonium from one of them, at TRR as part of a feasibility study for the production of neutron sources. Iran continues to maintain that the purpose of the irradiation had been to produce pure Po-210 on a laboratory scale, noting that, if production and extraction of Po-210 were successful, it could be used in radioisotope thermoelectric batteries. The Agency does not have any concrete information that is contrary to the statements made by Iran, but still remains somewhat uncertain regarding the plausibility of the stated purpose of the experiments.

39. However, with regard to the razing of the Lavisian-Shian site, in August 2005, Iran provided further clarification and additional documentation in support of its statement that the site had been razed following the return of the site to the Municipality of Tehran in connection with a dispute between the Municipality and the Ministry of Defence. Iran explained further that the razing of the site had been carried out by the Municipality, and that it had begun in December 2003 and was completed within two or three months. The information provided by Iran appeared to be coherent and consistent with its explanation of the razing of the Lavisian-Shian area.

40. The Agency is still awaiting additional information and clarifications from Iran regarding, and interviews with the individuals involved in, efforts by the Physics Research Centre, which had been located at Lavisian-Shian, to acquire dual use materials and equipment that could be used in uranium enrichment or conversion activities.

41. The Agency has discussed with the Iranian authorities open source information relating to dual use equipment and materials which have applications in the conventional military area and in the civilian sphere as well as in the nuclear military area. As described by the DDG-SG in his 1 March 2005 statement to the Board, in January 2005, Iran agreed, as a transparency measure, to permit the Agency to visit a site located at Parchin in order to provide assurance regarding the absence of undeclared nuclear material and activities at that site. Out of the four areas identified by the Agency to be of potential interest, the Agency was permitted to select any one area. The Agency was requested to minimize the number of buildings to be visited in that area, and selected five buildings. The Agency was given free access to those buildings and their surroundings and was allowed to take environmental samples, the results of which did not indicate the presence of nuclear material, nor did the Agency see any relevant dual use equipment or materials in the locations visited. In the course of the visit, the Agency requested to visit another area of the Parchin site. The Agency has been pursuing this matter with Iran since then with a view to being able to access the locations of interest at Parchin.

## **C. Current overall assessment**

42. The Director General provided in paragraphs 106–114 of GOV/2004/83 a detailed overall assessment of Iran's nuclear programme and the Agency's efforts to verify Iran's declarations with respect to that programme. As indicated in that report, Iran has made substantial efforts over the past two decades to master an independent nuclear fuel cycle, and, to that end, had conducted experiments to acquire the know-how for almost every aspect of the fuel cycle. Many aspects of Iran's fuel cycle activities and experiments, particularly in the areas of uranium enrichment, uranium conversion and plutonium research, had not been declared to the Agency in accordance with Iran's obligations under its Safeguards Agreement. Iran's policy of concealment continued until October 2003, and resulted in many breaches of its obligation to comply with that Agreement (summarized in paragraph 4 above).

43. Since October 2003, good progress has been made in Iran's correction of the breaches, and in the Agency's ability to confirm certain aspects of Iran's current declarations, which will be followed up as a routine safeguards implementation matter (particularly in connection with conversion activities, laser enrichment, fuel fabrication and the heavy water research reactor programme).

44. Two important issues were identified in the Director General's November 2004 report as relevant to the Agency's efforts to provide assurance that there are no undeclared enrichment activities in Iran, specifically: the origin of LEU and HEU particle contamination found at various locations in Iran; and the extent of Iran's efforts to import, manufacture and use centrifuges of both the P-1 and P-2 designs.

45. With respect to the first issue — contamination — as indicated above, based on the information currently available to the Agency, the results of the environmental sample analysis tend, on balance, to support Iran's statement about the foreign origin of most of the observed HEU contamination. It is still not possible at this time, however, to establish a definitive conclusion with respect to all of the contamination, particularly the LEU contamination. This underscores the importance of additional work on the scope and chronology of Iran's P-1 and P-2 centrifuge programmes, which could greatly contribute to the resolution of the remaining contamination issues.

46. With respect to the second issue — the P-1 and P-2 centrifuge programmes — although, as indicated above, some progress has been made since November 2004 in the verification of statements by Iran regarding the chronology of its centrifuge enrichment programme, the Agency has not yet been able to verify the correctness and completeness of Iran's statements concerning those programmes. While Iran has provided further clarifications, and access to additional documentation, concerning the 1987 and mid-1990s offers related to the P-1 design, the Agency's investigation of the supply network indicates that Iran should have additional supporting information that could be useful in this regard. Iran has agreed to endeavour to provide further supporting information and documentation. Iran has also been asked to provide additional details on the process that led to Iran's decision in 1985 to pursue gas centrifuge enrichment and on the steps leading to its acquisition of centrifuge enrichment technology in 1987.

47. No additional information or documentation has been provided with respect to Iran's statement that it did not pursue any work on the P-2 design between 1995 and 2002. As indicated above, Iran has been requested to provide more information, along with any supporting documentation, relevant to the P-2 programme, in particular with regard to the scope of the original offer related to the P-2 related design and Iran's acquisition of items in connection with that programme.

48. The Agency is still assessing other aspects of Iran's past nuclear programme, including: statements made by it about plutonium research, in particular with respect to the dates they were carried out; Iran's activities at Gchine; and Iran's activities involving polonium.

49. The Agency continues to follow up on information pertaining to Iran's nuclear programme and activities that could be relevant to that programme. In this regard, it should be noted that, absent some nexus to nuclear material, the Agency's legal authority to pursue the verification of possible nuclear weapons related activity is limited. The Agency has, however, continued to seek Iran's cooperation in following up on reports relating to equipment, materials and activities which have applications in the conventional military area and in the civilian sphere as well as in the nuclear military area. Iran has permitted the Agency, as a measure of transparency, to visit defence related sites at Kolehdoz, Lavisan and Parchin. While the Agency found no nuclear related activities at Kolehdoz, it is still assessing information (and awaiting some additional information) in relation to the Lavisan site. The Agency is also still waiting to be able to re-visit the Parchin site.

50. In view of the fact that the Agency is not yet in a position to clarify some important outstanding issues after two and a half years of intensive inspections and investigation, Iran's full transparency is indispensable and overdue. Given Iran's past concealment efforts over many years, such transparency measures should extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol and include access to individuals, documentation related to procurement, dual use equipment, certain military owned workshops and research and development locations. Without such transparency measures, the Agency's ability to reconstruct, in particular, the chronology of enrichment research and development, which is essential for the Agency to verify the correctness and completeness of the statements made by Iran, will be restricted.

51. As indicated to the Board in November 2004, all the declared nuclear material in Iran has been accounted for, and therefore such material is not diverted to prohibited activities. The Agency is, however, still not in a position to conclude that there are no undeclared nuclear materials or activities in Iran. The process of drawing such a conclusion, after an Additional Protocol is in force, under normal circumstances, is a time consuming process. In view of the past undeclared nature of significant aspects of Iran's nuclear programme, and its past pattern of concealment, this conclusion can be expected to take longer than in normal circumstances.

52. The Secretariat will continue its investigation of all remaining outstanding issues relevant to Iran's nuclear programme, and the Director General will continue to report to the Board as appropriate.

## **D. Suspension**

53. Pursuant to the Board's resolution on 29 November 2004 (GOV/2004/90), and previous resolutions, the Agency has continued its activities to verify and monitor all elements of Iran's voluntary suspension of all enrichment related and reprocessing activities.

54. Prior to 22 November 2004, the Agency had already established a baseline inventory of all UF<sub>6</sub>, essential centrifuge components, key raw materials and equipment, and the assembled centrifuge rotors at declared workshops said by Iran to have been involved in the manufacturing of centrifuge components, and had applied containment and surveillance measures to these items.

55. The Agency has continued its monthly monitoring activities at the Pilot Fuel Enrichment Plant (PFEP) at Natanz, most recently from 30 to 31 August 2005, to ensure that the suspension of enrichment activities at PFEP is fully implemented. The surveillance records from the cascade hall have been reviewed to ensure that no additional centrifuge machines were installed. The seals on the equipment and nuclear material have been replaced and verified. The inventory of centrifuge components has been verified periodically, and the seals on the essential components replaced and verified. The cascade hall, and the 20 sets of centrifuge components stored at the feed and withdrawal station, continue to be under Agency surveillance, and all the previously declared UF<sub>6</sub> feed material at PFEP, as well as product and tails, remain under Agency containment and surveillance.

56. The Agency has also continued to monitor the suspension by conducting:

- DIV activities at the Fuel Enrichment Plant (FEP) at Natanz and at the Molybdenum, Iodine and Xenon Facility at TNRC;
- monitoring of the decommissioned status of the Lashkar Ab'ad atomic vapour laser isotope separation pilot plant through complementary access at Lashkar Ab'ad and to laser enrichment equipment stored at TNRC and the Nuclear Research Centre for Agriculture and Medicine at Karaj;
- inspections and DIV at JHL; and
- visits to several declared workshops, randomly selected by the Agency, where centrifuge components had been manufactured and/or stored, including the Kalaye Electric Company workshop.

57. On 9 May 2005, during a DIV at FEP, Agency inspectors observed some construction work being carried out in the underground cascade hall of Building A and in the ventilation building above the

cascade hall foreseen in the design information for FEP submitted by Iran. Iran has described this work as civil construction, not covered by its voluntary suspension undertaking. In subsequent DIVs, the Agency has noted that this construction work is continuing.

58. The Agency also continued its verification of Iran's voluntary suspension of conversion activities at UCF. As reported previously, in August 2004, Iran introduced about 37 tonnes of uranium ore concentrate (UOC or yellowcake) into the process area of UCF as feed material for facility testing. As of 22 November 2004, all of the UOC had been dissolved and converted into intermediate products, principally AUC and  $UF_4$ , and part of the intermediate  $UF_4$  had been converted into  $UF_6$ . On 22 November 2004, the Agency installed seals and other tamper indicating devices to verify that no additional feed was introduced in the process and that there was no further production of  $UF_6$ . On 18 February 2005, Iran completed its conversion of the AUC into  $UF_4$ , and conducted clean-out operations. The Agency carried out a physical inventory verification at UCF between 21 and 25 April 2005, in the course of which the UOC, the  $UF_4$ , the  $UF_6$  and the scrap and waste generated by the conversion process were verified by the Agency, and the  $UF_4$  placed under Agency seal. The material unaccounted for (MUF) as a result of the conversion campaign was calculated to be less than 1% of the total quantity of material fed into the process, which is within an acceptable range for similar size conversion plants. The process lines and nuclear material remained under Agency seal until August 2005.

59. On 1 August 2005, Iran informed the Agency of its decision to resume uranium activities at UCF.<sup>9</sup> The Agency installed additional surveillance equipment at UCF between 8 and 10 August 2005. On 8 August 2005, Iran started to feed UOC into the first part of the process line and on 10 August removed the Agency seals from the remaining parts of the process line. The  $UF_6$  remained under Agency seal.

60. As of 29 August 2005, approximately 4000 kg of uranium in the form of UOC had been fed into the process and approximately 600 kg of uranium in the form of AUC produced, from which approximately 110 kg of uranium in the form of AUC was fed into the next process line. As of 29 August, no  $UF_4$  had been produced as a result of that processing. From the 21 tonnes of uranium in the form of  $UF_4$  produced during the previous campaign, approximately 8500 kg of uranium in the form of  $UF_4$  was fed into the  $UF_4$  to  $UF_6$  process line; approximately 6800 kg of uranium in the form of  $UF_6$  was produced therefrom. In a letter dated 29 August 2005, Iran informed the Agency of its intention to start moving the remaining inventory of UOC to the new storage area, and that it would likely take two months.

61. The Director General will continue to report to the Board as appropriate.

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<sup>9</sup> INFCIRC/648.

## CHRONOLOGY OF PLUTONIUM SEPARATION EXPERIMENTS

The Agency's current understanding of the chronology of Iran's activities in connection with the plutonium research is as follows:

- 1987–1988 The separation process was simulated using imported unirradiated  $\text{UO}_2$  (DU); dissolution and purification took place in the Shariaty Building at TNRC; pressed and sintered pellets were manufactured using imported  $\text{UO}_2$  (DU) at FFL; the  $\text{UO}_2$  pellets were further manipulated into aluminium and stainless steel capsules at FFL
- 1988–1993 The capsules (containing a total of 7 kg of  $\text{UO}_2$  in the form of powder, pressed pellets and sintered pellets) were irradiated in TRR
- 1991–1993 Plutonium was separated from some of the irradiated  $\text{UO}_2$  targets in the capsules (about 3 kg of the 7 kg of  $\text{UO}_2$ ) and plutonium solutions produced; these activities were carried out at the Shariaty Building and, after the activities were transferred in October/November 1992, at the Chamaran Building at TNRC; the research and development related irradiation and separation of plutonium were terminated in 1993
- 1993–1994 The unprocessed irradiated  $\text{UO}_2$  was initially stored in capsules in the spent fuel pond of TRR, and later transferred into four containers and buried behind the Chamaran Building
- 1995 In July, purification of the plutonium solution from the 1988–1993 period was carried out in the Chamaran Building; a planchet (disk) was prepared from the solution for analysis
- 1998 In August, additional purification of plutonium from the 1988–1993 period was carried out in the Chamaran Building; another planchet (disk) was prepared from the solution for analysis
- 2000 The glove boxes from the Chamaran Building were dismantled and sent to ENTC for storage; one glove box was moved to the Molybdenum Iodine Xenon Facility
- 2003 Due to construction work being carried out behind the Chamaran building, two containers holding the unprocessed irradiated  $\text{UO}_2$  were dug up, moved and reburied

**ANNEX 2**

**ABBREVIATIONS AND TERMS**

AEOI	Atomic Energy Organization of Iran
AUC	ammonium uranyl carbonate
DIV	design information verification
DU	depleted uranium
ENTC	Esfahan Nuclear Technology Centre
FEP	Fuel Enrichment Plant, Natanz
FFL	Fuel Fabrication Laboratory, ENTC
HEU	high enriched uranium
HWPP	Heavy Water Production Plant, Arak
IR-40	Iran Nuclear Research Reactor, Arak
JHL	Jabr Ibn Hayan Multipurpose Laboratories, TNRC
LEU	low enriched uranium
PFEP	Pilot Fuel Enrichment Plant, Natanz
SAL	Safeguards Analytical Laboratory, Seibersdorf, Austria
TNRC	Tehran Nuclear Research Centre
TRR	Tehran Research Reactor, Tehran
UCF	Uranium Conversion Facility, ENTC
UF <sub>4</sub>	uranium tetrafluoride
UF <sub>6</sub>	uranium hexafluoride
UO <sub>2</sub>	uranium dioxide
UO <sub>3</sub>	uranium trioxide
U <sub>3</sub> O <sub>8</sub>	urano-uranic oxide
UOC	uranium ore concentrate
WBC	whole body counter

## Board of Governors

**GOV/2005/77**  
Date: 24 September 2005

Original: English

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Item 6(d) of the agenda  
(GOV/2005/70)

# Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

## Resolution adopted on 24 September 2005

### The Board of Governors,

- (a) Recalling the resolutions adopted by the Board on 11 August 2005 (GOV/2005/64), 29 November 2004 (GOV/2004/90), 18 September 2004 (GOV/2004/79), 18 June 2004 (GOV/2004/49), 13 March 2004 (GOV/2004/21), 26 November 2003 (GOV/2003/81) and on 12 September 2003 (GOV/2003/69), the statement of the Board of 19 June 2003 (GOV/OR.1072) and the Chairman of the Board's conclusions of March 2005 (GOV/OR.1122) and of June 2005 (GOV/OR.1130),
- (b) Recalling that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights 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 the Treaty,
- (c) Commending the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement in Iran, to resolve outstanding safeguards issues in Iran and to verify the implementation by Iran of the suspension,
- (d) Recalling Iran's failures in a number of instances over an extended period of time to meet its obligations under its NPT Safeguards Agreement (INFCIRC 214) with respect to the reporting of nuclear material, its processing and its use, as well as the declaration of facilities where such material had been processed and stored, as reported by the Director General in his report GOV/2003/75 dated 10 November 2003 and confirmed in GOV/2005/67, dated 2 September 2005,
- (e) Recalling also that, as deplored by the Board in its resolution GOV/2003/81, Iran's policy of concealment has resulted in many breaches of its obligation to comply with its Safeguards Agreement,

- (f) Recalling that the Director General in his report to the Board on 2 September 2005 noted that good progress has been made in Iran's correction of the breaches and in the Agency's ability to confirm certain aspects of Iran's current declarations,
- (g) Noting that, as reported by the Director General, the Agency is not yet in a position to clarify some important outstanding issues after two and a half years of intensive inspections and investigation and that Iran's full transparency is indispensable and overdue,
- (h) Uncertain of Iran's motives in failing to make important declarations over an extended period of time and in pursuing a policy of concealment up to October 2003,
- (i) Concerned by continuing gaps in the Agency's understanding of proliferation sensitive aspects of Iran's nuclear programme,
- (j) Recalling the emphasis placed in past resolutions on the importance of confidence building measures and that past resolutions have reaffirmed that the full and sustained implementation of the suspension notified to the Director General on 14 November 2004, as a voluntary, non legally binding confidence building measure, to be verified by the Agency, is essential to addressing outstanding issues,
- (k) Deploring the fact that Iran has to date failed to heed the call by the Board in its resolution of 11 August 2005 to re-establish full suspension of all enrichment related activities including the production of feed material, including through tests or production at the Uranium Conversion Facility,
- (l) Also concerned that Iran has to date failed to heed repeated calls to ratify the Additional Protocol and to reconsider its decision to construct a research reactor moderated by heavy water, as these measures would have helped build confidence in the exclusively peaceful nature of Iran's nuclear programme,
- (m) Noting that the Director General reported that the Agency "continues to follow up on information pertaining to Iran's nuclear programme and activities that could be relevant to that programme" and that "the Agency's legal authority to pursue the verification of possible nuclear weapons related activity is limited" (GOV/2005/67),
- (n) Endorsing the Director General's description of this as a special verification case, and
- (o) Noting that the Agency is still not in a position to conclude that there are no undeclared nuclear materials or activities in Iran,
1. Finds that Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement, as detailed in GOV/2003/75, constitute non compliance in the context of Article XII.C of the Agency's Statute;
  2. Finds also that the history of concealment of Iran's nuclear activities referred to in the Director General's report, the nature of these activities, issues brought to light in the course of the Agency's verification of declarations made by Iran since September 2002 and the resulting absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes have given rise to questions that are within the competence of the Security Council, as the organ bearing the main responsibility for the maintenance of international peace and security;

3. Requests the Director General to continue his efforts to implement this and previous Resolutions and to report again, including any further developments on the issues raised in his report of 2 September 2005 (GOV/2005/67) to the Board. The Board will address the timing and content of the report required under Article XII.C and the notification required under Article III.B.4;
4. In order to help the Director General to resolve outstanding questions and provide the necessary assurances, urges Iran:
  - (i) To implement transparency measures, as requested by the Director General in his report, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include access to individuals, documentation relating to procurement, dual use equipment, certain military owned workshops and research and development locations;
  - (ii) To re-establish full and sustained suspension of all enrichment-related activity, as in GOV/2005/64, and reprocessing activity;
  - (iii) To reconsider the construction of a research reactor moderated by heavy water;
  - (iv) Promptly to ratify and implement in full the Additional Protocol;
  - (v) Pending completion of the ratification of the Additional Protocol to continue to act in accordance with the provisions of the Additional Protocol, which Iran signed on 18 December 2003;
5. Calls on Iran to observe fully its commitments and to return to the negotiating process that has made good progress in the last two years;
6. Requests the Director General to continue his efforts to implement the Agency's Safeguards Agreement with Iran, to implement provisionally the Additional Protocol to that Agreement, and to pursue additional transparency measures required for the Agency to be able to reconstruct the history and nature of all aspects of Iran's past nuclear activities, and to compensate for the confidence deficit created; and
7. Decides to remain seized of the matter.

- ***Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council welcomes and fully supports the Resolution adopted by the IAEA Board of Governors on 24 September.

The Council notes that the Resolution gives Iran the opportunity, through its actions, to influence the international community's next steps. It urges Iran to take this opportunity by implementing all the measures requested by the IAEA Board, including reinstating a full suspension of all fuel cycle activities.

The Council reaffirms the EU's support for a diplomatic solution to international concerns over Iran's nuclear programme, which should include an agreement on long-term arrangements. Such a solution would help create the climate for a better relationship with Europe and the international community as a whole. The EU's preferred approach remains the resumption of negotiations within the framework agreed in Paris last November. The EU urges Iran to take the steps necessary to make this possible."

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

- "1. The Council reviewed its overall approach to Iran.
2. The Council condemns in the strongest terms the comments in respect of the State of Israel made by President Ahmedinejad. It deploras calls for violence and for the destruction of any state. These comments cause concern about Iran's role in the region and its future intentions.
3. The Council reiterates its grave concern at Iran's resumption of activity at the Uranium Conversion Facility in Esfahan. The Council urges Iran to implement all measures requested by the IAEA Board of Governors in its Resolution on 24 September, including reinstating a full suspension of all fuel cycle activities, thus allowing negotiations with the European side to resume before the IAEA Board meets again in November. The Council underlines the EU's continued support for a diplomatic solution to international concerns over Iran's nuclear programme.
4. The Council underlines the long-standing importance it attaches to sustainable political and economic reform in Iran. In this regard, the Council agreed on the importance of the Comprehensive Dialogue. The Council agreed that the Comprehensive Dialogue is an appropriate framework for discussing issues of mutual interest and concern. These include not only areas such as counter-narcotics but also areas of long-standing concern to the EU: terrorism, the proliferation of WMD, Iran's approach to the Middle East peace process, human rights and fundamental freedoms, and regional issues. While noting progress in the co-operation between Iran and Europe in the field of counter-narcotics, the Council reiterates that the evolution of the long-term relationship, avoiding a deterioration, between Iran and Europe will depend on action by Iran to address effectively all the EU's areas of concern. The Council reiterates that it is up to Iran to determine, through its actions, whether its long-term relationship with the EU will improve or deteriorate.
5. The Council expresses its deep concern at the serious violations of human rights which continue to occur in Iran. It urges Iran to strengthen respect for human rights and the rule of law. The Council is disappointed that the EU-Iran Human Rights Dialogue has not been held since June 2004, despite repeated attempts on the EU's part to agree dates for the next round. The Council urges Iran to take steps to resume substantive discussions under the Dialogue and to demonstrate by its actions that it is willing to improve respect for human rights including by fulfilling its obligations and earlier commitments in relation to juvenile executions and by permanently releasing Akbar Ganji and other prisoners of conscience.
6. The Council stresses that discrimination between EU Member States by Iran in any field is unacceptable and contrary to EU principles of solidarity. It calls on Iran to lift all discriminatory restrictions against individual Member States, which could impact negatively on Iran's stated desire to pursue greater co-operation with the EU.
7. The Council agrees to keep the EU's approach to Iran under close review in light of progress on the nuclear file and other issues of concern."

# Board of Governors

**GOV/2005/87**  
Date: 18 November 2005

Original: English

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**For official use only**

Item 3(c) of the provisional agenda  
(GOV/2005/81)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 24 September 2005, the Board of Governors adopted a resolution (GOV/2005/77) in which, inter alia, it urged the Islamic Republic of Iran (hereinafter referred to as Iran), in order to help the Director General to resolve outstanding questions and provide the necessary assurances:
  - To implement transparency measures, as requested by the Director General in his report, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include access to individuals, documentation relating to procurement, dual use equipment, certain military owned workshops and research and development locations;
  - To re-establish full and sustained suspension of all enrichment-related activity, as in GOV/2005/64, and reprocessing activity;
  - To reconsider the construction of a research reactor moderated by heavy water;
  - Promptly to ratify and implement in full the Additional Protocol;
  - Pending completion of the ratification of the Additional Protocol to continue to act in accordance with the provisions of the Additional Protocol, which Iran signed on 18 December 2003.
2. This progress report builds on the previous reports<sup>1</sup> of the Director General to the Board of Governors on issues related to the implementation of the Agreement between Iran and the Agency for

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<sup>1</sup> The initial report to the Board of Governors on this matter was provided by the Director General orally at the Board's meeting on 17 March 2003. The Director General has since then submitted eleven written reports to the Board: GOV/2003/40, dated 6 June 2003; GOV/2003/63, dated 26 August 2003; GOV/2003/75, dated 10 November 2003; GOV/2004/11, dated 24 February 2004; GOV/2004/34, dated 1 June 2004, and Corr.1, dated 18 June 2004; GOV/2004/60, dated 1 September 2004; GOV/2004/83, dated 15 November 2004; INFCIRC/648, dated 1 August 2005; GOV/2005/61, dated 8 August 2005; GOV/2005/62, dated 10 August 2005; and GOV/2005/67, dated 2 September 2005. In addition, the Deputy Director General for Safeguards made oral statements to the Board on 1 March 2005 (GOV/OR.1119) and on 16 June 2005 (GOV/OR.1130).

the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons (the Safeguards Agreement<sup>2</sup>).

## **A. Developments since September 2005**

### **A.1. Contamination**

3. The Agency is continuing to analyse the source(s) of low enriched uranium (LEU) particles, and some high enriched uranium (HEU) particles, which were found in Iran with a view to assessing the correctness and completeness of Iran's declarations concerning its enrichment activities (see paras 9 and 10 of GOV/2005/67). The analysis of the environmental samples collected at a location in another Member State where, according to Iran, the centrifuge components had been stored by the procurement network in the mid-1990s prior to their shipment to Iran (see para. 11 of GOV/2005/67), did not indicate any traces of nuclear material.

### **A.2. Enrichment Programme**

4. In October and November 2005, a number of meetings took place during which further documentation said to have been provided to Iran by the procurement network was made available to the Agency, and the Agency was able to interview two individuals (not previously available to the Agency) who had been involved in Iran's discussions with the procurement network.

#### **A.2.1. The 1987 offer**

5. As previously reported to the Board, in January 2005 Iran showed to the Agency a copy of a hand-written one-page document reflecting an offer said to have been made to Iran in 1987 by a foreign intermediary for certain components and equipment (see paras 14 and 15 of GOV/2005/67).<sup>3</sup> Iran stated that only some components of one or two disassembled centrifuges, and supporting drawings and specifications, were delivered by the procurement network, and that a number of other items of equipment referred to in the document were purchased directly from other suppliers. Most of these components and items were included in the October 2003 declaration by Iran to the Agency.

6. The documents recently made available to the Agency related mainly to the 1987 offer; many of them dated from the late 1970s and early to mid-1980s. The documents included: detailed drawings of the P-1 centrifuge components and assemblies; technical specifications supporting component manufacture and centrifuge assembly; and technical documents relating to centrifuge operational performance. In addition, they included cascade schematic drawings for various sizes of research and development (R&D) cascades, together with the equipment needed for cascade operation (e.g. cooling water circuit needs and special valve consoles). The documents also included a drawing showing a cascade layout for 6 cascades of 168 machines each and a small plant of 2000 centrifuges arranged in the same hall. Also among the documents was one related to the procedural requirements for the reduction of UF<sub>6</sub> to metal in small quantities, and on the casting and machining of enriched, natural and depleted uranium metal into hemispherical forms, with respect to which Iran stated that it had

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<sup>2</sup> INFCIRC/214.

<sup>3</sup> The document contained a list including: a disassembled centrifuge, including drawings, descriptions and specifications for production of centrifuges; drawings, specifications and calculations for a "complete plant"; and materials for 2000 centrifuge machines. The document also made reference to: auxiliary vacuum and electric drive equipment; a liquid nitrogen plant; a water treatment and purification plant; a complete set of workshop equipment for mechanical, electrical and electronic support; and uranium reconversion and casting capabilities.

been provided on the initiative of the procurement network, and not at the request of the Atomic Energy Organization of Iran (AEOI).

7. The Agency is assessing all the documentation referred to above and comparing it with, inter alia, documentation from other sources.

#### **A.2.2. Genesis of the mid-1990s offer**

8. Very little new information has been made available regarding the events preceding the mid-1990s offer. Iran has maintained that no documentation on the offer exists apart from the shipping documents confirming the delivery of the P-1 components during the 1994–1995 period. Iran has provided no additional information or documentation to support its statement that it did not pursue any work on the P-2 design between 1995 and 2002.

9. As indicated in earlier reports to the Board, Iran has stated that, between 2002 and 2003, a contracting company had briefly carried out some R&D work on a modified P-2 design, but that this had been terminated in July 2003. Iran re-confirmed that, as part of this R&D work, the contractor had purchased some magnets suitable for the P-2 centrifuge design, and made some additional inquiries regarding magnets. Since September 2005, Iran has provided documentation concerning purchases by the contractor of copper aluminium and by the P-1 team of maraging steel and special oil which were also made available to the contractor. The Agency's assessment of these purchases, and the quantities delivered, is continuing with the assistance of Member States.

#### **A.2.3. Shipping documents and other documentation**

10. In addition to the documentation referred to above, since the last report to the Board, Iran also provided the Agency with access to a substantial amount of information and documentation relevant to its procurement efforts in the late 1980s and early 1990s, along with more details on the 1994–1995 deliveries. This information, taken together with information obtained through the interviews held in Iran, the Agency's findings and other information supplied to the Agency thus far, seems to be consistent with Iran's declarations of what had been procured in the late 1980s and early 1990s for the first stage of the P-1 R&D programme of the AEOI. Iran has been asked to provide some additional procurement documents in order to enable the Agency to complete its assessment in this regard.

#### **A.2.4. Technical discussions between Iran and the intermediaries**

11. Iran has maintained that, after the meetings leading to the 1987 offer and the actual receipt of components and documentation, no contacts were made between Iranian officials and the procurement network before 1993. Iran reiterated that the contact for the mid-1990s offer had been an initiative by the network, and not by Iran.

12. Iran has previously confirmed that, following the mid-1990s offer, up to ten meetings were held with the intermediaries during the period 1996 to 1999. Information supporting this statement was supplied by one of the individuals interviewed by the Agency. Iran has stated that these meetings were all related to discussions about the poor quality of many of the P-1 components that had been supplied to Iran and to obtaining answers to specific technical questions arising from Iran's efforts to operate the P-1 centrifuges. Iran has maintained that at no time during this period did it discuss the P-2 centrifuge design, nor did Iran discuss the possible supply of P-2 centrifuge components, sub-assemblies or rotors.

### **A.3. Other Implementation Issues**

13. With reference to the other aspects of Iran's past nuclear programme, as identified in para. 48 of GOV/2005/67, there are no new developments to report with respect to Iran's uranium mining activities (see paras 26–31 of GOV/2005/67) or with respect to Iran's activities involving polonium and beryllium (see para. 34 of GOV/2005/67).

14. The Agency is awaiting from IAEA network laboratories the results of the analyses of plutonium samples taken in August 2005 to complete its final assessment of Iran's plutonium experiments (see paras 21–25 of GOV/2005/67).

### **A.4. Implementation of the Additional Protocol**

15. As undertaken in its letter to the Agency of 10 November 2003, Iran has continued to act as if its Additional Protocol were in force. Since September 2005 the Agency has conducted three complementary accesses.

### **A.5. Transparency Visits and Discussions**

16. On 1 November 2005, following a meeting held on 30 October 2005 between Mr. Larijani, the Secretary of the Supreme National Security Council of Iran, and the Deputy Director General for Safeguards (DDG-SG), the Agency was given access to the buildings requested within the area of interest at Parchin (see para. 41 of GOV/2005/67), in the course of which environmental samples were taken. The Agency did not observe any unusual activities in the buildings visited. Its final assessment is pending the results of the environmental sample analysis. There have been no new developments with regard to questions and access related to the Lavisan-Shian site (see paras 37–40 of GOV/2005/67).

### **A.6. Suspension**

17. The Agency has continued to monitor installations related to the uranium gas centrifuge and laser enrichment programmes, and has not observed any inconsistency with Iran's voluntary undertaking not to carry out any enrichment activities.

18. On 24 October 2005, Iran informed the Agency that the uranium conversion campaign begun in August 2005 at the Uranium Conversion Facility (UCF) would end around 1 November 2005, and that another campaign with 150 drums would start after a one-week maintenance period (GOV/INF/2005/13). Feeding of yellow cake to process started on 16 November 2005. All UF<sub>6</sub> so far produced at UCF has remained under Agency containment and surveillance measures.

19. In November 2005, the Agency carried out a design information verification visit at the Iran Nuclear Research Reactor (IR-40) at Arak, during which it was noted that the civil engineering construction of the reactor building was continuing.

## **B. Current overall assessment**

20. In the September 2005 report to the Board of Governors, it was noted that, in light of the difficulty of establishing a definitive conclusion with respect to all of the contamination, it was important to make progress on the issue of the scope and chronology of Iran's P-1 and P-2 programmes (see paras 44–47 of GOV/2005/67). Since that time, Iran has been more forthcoming in providing access to additional documentation related to the 1987 offer and permitting interviews with individuals who had been involved in discussions with the procurement network. However, there still remain issues to be resolved in connection with the genesis of the mid-1990s offer. The Agency is still

seeking additional assurance that no P-2 programme was conducted between 1995 and 2002. The Agency is currently reviewing the new information provided by Iran on the P-1 and P-2 enrichment programmes and has emphasized to Iran the importance of providing the additional requested supporting documentation.

21. As also noted in the previous report to the Board, in order to clarify some of the outstanding issues related to Iran's enrichment programme, Iran's full transparency is indispensable and overdue. Transparency measures should include the provision of information and documentation related to the procurement of dual use equipment, and permitting visits to relevant military owned workshops and R&D locations associated with the Physics Research Centre and the Lavisan-Shian site. In this regard, the Agency welcomes the access provided to the Parchin site. The Agency, however, is still awaiting additional information and permission to undertake additional visits. These should also include interviews on the acquisition of certain dual use materials and equipment, and the taking of environmental samples from the above locations.

22. The Secretariat will continue its investigation of all relevant information available to it as well as of outstanding issues pertaining to Iran's nuclear programme. The Director General will continue to report to the Board as appropriate.

***Iran***

3. The European Council condemns unreservedly President Ahmadinejad's call for the eradication of Israel and his denial of the Holocaust. These comments are wholly unacceptable and have no place in civilised political debate. The European Council recalls that in November this year the UN General Assembly adopted by consensus, including Iran, a resolution which "rejects any denial of the Holocaust as an historical event either in full or in part" urging all Member States to educate their population about the Holocaust. The European Council reaffirms the right of the State of Israel to exist within secure and recognised borders. The European Council recalls that all Members of the United Nations have undertaken to refrain from the threat or use of force against the territorial integrity or political independence of any State. The EU calls on the Iranian leadership to join the international consensus on the need for a two-state solution to the Palestinian-Israel conflict, to support the search for peace between Israel and its neighbours and to end support for groups which advocate or engage in acts of terrorism.
4. The European Council is gravely concerned at Iran's failure to build confidence that its nuclear programme is exclusively peaceful. Iran's resumption of activity at the Uranium Conversion Facility in Esfahan, its continuing lack of transparency and its refusal to take the steps required of it in successive IAEA Board Resolutions only add to the EU's profound concerns about Iran's intentions. While the EU continues to work for a diplomatic solution, the window of opportunity will not remain open indefinitely and the European Council urges Iran to respond constructively, including by implementing all the confidence-building measures the IAEA Board has sought and refraining from any further unilateral move which might aggravate the situation.
5. The European Council underlines that whether the EU's long-term relationship with Iran improves or deteriorates will depend on progress on all issues of concern. Given provocative political moves by Iran since May, the Council agrees on the need to keep the EU's diplomatic options under close review and continue to calibrate the EU's approach in light of Iranian declarations and actions. The European Council reiterates its deep concern about the lack of respect for human rights and fundamental political freedoms in Iran, and calls on Iran to demonstrate respect for these principles by taking concrete steps, including permanently releasing Akbar Ganji and other prisoners of conscience. In the spirit of EU solidarity, it calls on Iran to lift all discriminatory restrictions against individual Member States.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"The European Union is gravely concerned at the removal of seals at several nuclear installations, including at Natanz, and Iran's decision to resume enrichment related activities. The EU calls on Iran to reinstate the seals and to re-establish full, sustained and verifiable suspension of all enrichment-related and reprocessing activities as called for repeatedly in IAEA Board of Governors' resolutions as an essential confidence-building measure.

In line with the requests made in IAEA Board of Governors' resolutions the EU emphasises the need for Iran to refrain from all enrichment-related and reprocessing activities until international confidence is restored.

This is not a dispute between Iran and Europe, but between Iran and the international community. The EU does not question the right of Iran to the use of nuclear energy for peaceful purposes in conformity with its obligations under the NPT, a right which we have consistently reaffirmed. The dispute is about Iran's failure to build the necessary confidence as to the exclusively peaceful nature of its programme. This confidence has further eroded as a result of the unilateral steps Iran has taken contrary to its commitments. The Council noted with concern that the Director-General has reported that the IAEA is not yet in a position to clarify some important issues after two and a half years of intensive inspections and investigation and that Iran's full transparency is indispensable and overdue.

In the light of recent Iranian actions, which run counter to IAEA resolutions and which are a rejection of the efforts to explore whether a basis can be agreed for resuming negotiations, the European Union Member States will closely coordinate and work for the forthcoming extraordinary meeting of the IAEA Board of Governors in Vienna to involve the UN Security Council to reinforce the authority of the IAEA in line with these conclusions. This is a necessary and appropriate step, fully in line with the IAEA Board of Governors' resolution of September 2005, which found that Iran had been non-compliant with its Safeguards Agreement and that the history of concealment of Iran's nuclear activities and the nature of these activities had given rise to questions within the competence of the Security Council.

The EU believes that the issue can still be solved by negotiations; but this will require a cooperative and transparent approach on the part of the Iranian government with the IAEA, and the return to full suspension. The EU remains committed to a diplomatic solution to the Iranian nuclear issue in which the IAEA should play a central role. Involvement of the Security Council does not end the IAEA's responsibilities; on the contrary it strengthens them.

# Board of Governors

**GOV/2006/14**  
Date: 4 February 2006

Original: English

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The adopted agenda  
(GOV/2006/13)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

**Resolution adopted on 4 February 2006**

The Board of Governors,

- (a) Recalling all the resolutions adopted by the Board on Iran's nuclear programme,
- (b) Recalling also the Director General's reports,
- (c) Recalling that Article IV of the Treaty on the Non Proliferation of Nuclear Weapons stipulates that nothing in the Treaty shall be interpreted as affecting the inalienable rights 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 the Treaty,
- (d) Commending the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement in Iran, to resolve outstanding safeguards issues in Iran and to verify the implementation by Iran of the suspension,
- (e) Recalling the Director General's description of this as a special verification case,
- (f) Recalling that in reports referred to above, the Director General noted that after nearly three years of intensive verification activity, the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme or to conclude that there are no undeclared nuclear materials or activities in Iran,
- (g) Recalling Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement and the absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes resulting from the history of concealment of Iran's nuclear activities, the nature of those activities and other issues arising from the Agency's verification of declarations made by Iran since September 2002,
- (h) Recalling that the Director General has stated that Iran's full transparency is indispensable and overdue for the Agency to be able to clarify outstanding issues (GOV/2005/67),

- (i) Recalling the requests of the Agency for Iran's cooperation in following up on reports relating to equipment, materials and activities which have applications in the conventional military area and in the civilian sphere as well as in the nuclear military area (as indicated by the Director General in GOV/2005/67),
- (j) Recalling that in November 2005 the Director General reported (GOV/2005/87) that Iran possesses a document related to the procedural requirements for the reduction of UF<sub>6</sub> to metal in small quantities, and on the casting and machining of enriched, natural and depleted uranium metal into hemispherical forms,
- (k) Expressing serious concerns about Iran's nuclear programme, and agreeing that an extensive period of confidence-building is required from Iran,
- (l) Reaffirming the Board's resolve to continue to work for a diplomatic solution to the Iranian nuclear issue, and
- (m) Recognising that a solution to the Iranian issue would contribute to global non-proliferation efforts and to realising the objective of a Middle East free of weapons of mass destruction, including their means of delivery,
1. Underlines that outstanding questions can best be resolved and confidence built in the exclusively peaceful nature of Iran's programme by Iran responding positively to the calls for confidence building measures which the Board has made on Iran, and in this context deems it necessary for Iran to:
- re-establish full and sustained suspension of all enrichment-related and reprocessing activities, including research and development, to be verified by the Agency;
  - reconsider the construction of a research reactor moderated by heavy water;
  - ratify promptly and implement in full the Additional Protocol;
  - pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
  - implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may request in support of its ongoing investigations;
2. Requests the Director General to report to the Security Council of the United Nations that these steps are required of Iran by the Board and to report to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue;
3. Expresses serious concern that the Agency is not yet in a position to clarify some important issues relating to Iran's nuclear programme, including the fact that Iran has in its possession a document on the production of uranium metal hemispheres, since, as reported by the Secretariat, this process is related to the fabrication of nuclear weapon components; and, noting that the decision to put this document under Agency seal is a positive step, requests Iran to maintain this document under Agency seal and to provide a full copy to the Agency;
4. Deeply regrets that, despite repeated calls from the Board for the maintaining of the suspension of all enrichment related and reprocessing activities which the Board has declared essential to addressing outstanding issues, Iran resumed uranium conversion activities at its Isfahan facility on 8 August 2005 and took steps to resume enrichment activities on 10 January 2006;

5. Calls on Iran to understand that there is a lack of confidence in Iran's intentions in seeking to develop a fissile material production capability against the background of Iran's record on safeguards as recorded in previous Resolutions, and outstanding issues; and to reconsider its position in relation to confidence-building measures, which are voluntary, and non legally binding, and to adopt a constructive approach in relation to negotiations that can result in increased confidence;
6. Requests Iran to extend full and prompt cooperation to the Agency, which the Director General deems indispensable and overdue, and in particular to help the Agency clarify possible activities which could have a military nuclear dimension;
7. Underlines that the Agency's work on verifying Iran's declarations is ongoing and requests the Director General to continue with his efforts to implement the Agency's Safeguards Agreement with Iran, to implement the Additional Protocol to that Agreement pending its entry into force, with a view to providing credible assurances regarding the absence of undeclared nuclear material and activities in Iran, and to pursue additional transparency measures required for the Agency to be able to resolve outstanding issues and reconstruct the history and nature of all aspects of Iran's past nuclear activities;
8. Requests the Director General to report on the implementation of this and previous resolutions to the next regular session of the Board, for its consideration, and immediately thereafter to convey, together with any Resolution from the March Board, that report to the Security Council; and
9. Decides to remain seized of the matter.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"1. The Council welcomed the resolution adopted by the IAEA Board of Governors on 4 February with the overwhelming support of Board members. It supported the Board's decision to involve the United Nations Security Council. The Council believed that if Iran continues to fail to heed the repeated requests made in successive IAEA Board resolutions, the Security Council should now put its weight behind the Board's requests and the IAEA's efforts to resolve outstanding questions.

2. The Council regretted Iran's decision to withhold voluntary cooperation with the IAEA, contrary to the Board's requests and to Iran's earlier decision to implement the provisions of its Additional Protocol. Iran's decision to limit cooperation further increases international concerns and suspicions about Iranian intentions and makes it more difficult for the IAEA to resolve outstanding issues.

3. The European Union deplored Iran's resumption of enrichment-related activities, including enrichment at Natanz. Iran's introduction of nuclear material into centrifuges on 13 February in defiance of repeated calls by the IAEA Board of Governors and the international community is also a step in the wrong direction. The IAEA Board has repeatedly called for Iran to suspend all enrichment-related and reprocessing activities as an essential confidence-building measure. The restoration of international confidence requires full transparency and cooperation from Iran.

4. The Council reaffirmed the EU's continued support for a diplomatic solution. It urged Iran to reinstate a full suspension of all enrichment-related and reprocessing activities. The Council called on Iran to meet in full all of the Board's requests in good time before the next Board meeting on 6 March. The Council welcomed Russia's efforts to seek a way forward involving the offer to Iran of a financial stake in an enrichment joint venture on the territory of the Russian Federation, conditional on Iran's resumption of the moratorium on all enrichment-related and reprocessing activities.

5. The EU does not question the right of Iran to the use of nuclear energy for peaceful purposes in conformity with its obligations under the NPT, a right which the EU has consistently reaffirmed. If international concerns about Iran's programme are fully addressed, the EU would be prepared, as already stated in its August 2005 proposal, to support the development of a safe, sustainable and proliferation-proof Iranian civilian nuclear programme.

6. Recalling the European Council conclusions of 16 December 2005, which agreed on the need to keep the EU's diplomatic options under close review and continue to calibrate the EU's approach in light of Iranian declarations and actions, the Council agreed that Iran's resumption of enrichment activities is a negative development. It is time for Iran to reconsider its position on these activities and other areas of concern in order to avoid further deterioration of its relationship with the EU.

7. The recent attacks on European missions in Tehran were unjustifiable and totally unacceptable. The Council calls on Iran to protect diplomatic missions, including through proper policing, in accordance with its obligations under the Vienna Convention on Diplomatic Relations.

8. The Council calls on Iran to lift all discriminatory restrictions against individual EU Member States."

# Board of Governors

**GOV/2006/15**

Date: 27 February 2006

Original: English

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**For official use only**

Item 5(c) of the provisional agenda  
(GOV/2006/8)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. A meeting of the Board of Governors was held from 2 to 4 February 2006 to discuss the implementation of the Agreement between the Islamic Republic of Iran (hereinafter referred to as Iran) and the Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons.<sup>1</sup> The meeting was called in response to the announcement by Iran of its decision to resume from 9 January 2006 “R&D activities on the peaceful nuclear energy programme which has been suspended as part of its expanded voluntary and non-legally binding suspension.”<sup>2</sup>

2. On 4 February 2006, the Board of Governors adopted a resolution (GOV/2006/14) in paragraph 1 of which it, inter alia, underlined that outstanding questions can best be resolved and confidence built in the exclusively peaceful nature of Iran’s programme by Iran responding positively to the calls for confidence building measures which the Board has made on Iran, and in this context deemed it necessary for Iran to:

- re-establish full and sustained suspension of all enrichment related and reprocessing activities, including research and development, to be verified by the Agency;
- reconsider the construction of a research reactor moderated by heavy water;
- ratify promptly and implement in full the Additional Protocol;
- pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement

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<sup>1</sup> INFCIRC/214.

<sup>2</sup> See GOV/2006/11.

and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may require in support of its ongoing investigations.

3. As requested by the Board in paragraph 2 of that resolution, on 4 February 2006, the Director General reported to the Security Council of the United Nations that the steps set out in paragraph 1 of the resolution were required of Iran by the Board and reported to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue.

4. In paragraph 8 of GOV/2006/14, the Board also requested the Director General to report on the implementation of that resolution, and previous resolutions, to the next regular session of the Board, for its consideration, and immediately thereafter to convey, together with any resolution from the March Board, that report to the Security Council.

5. This report is being submitted to the Board in response to its request in paragraph 8 of GOV/2006/14.<sup>3</sup> It provides an update on the developments that have taken place since November 2005, and an update of the Agency's September 2005 overall assessment, in connection with the implementation of the NPT Safeguards Agreement in Iran and on the Agency's verification of Iran's voluntary suspension of enrichment related and reprocessing activities.

## **A. Developments since November 2005**

### **A.1. Enrichment Programme**

6. As detailed in the Director General's report of 18 November 2005 (GOV/2005/87), during meetings that took place in October and November 2005, the Agency requested Iran to provide additional information on certain aspects of its enrichment programme. Responses to some of these requests were provided during discussions held in Tehran from 25 to 29 January 2006 between Iranian officials and an Agency team headed by the Deputy Director General for Safeguards (DDG-SG). Another Agency team visited Iran from 12 to 14 February 2006 to further discuss, inter alia, the outstanding issues related to both uranium enrichment and the plutonium experiments. On 26 February 2006, the DDG-SG visited Iran again to discuss with Iranian authorities issues related to the Physics Research Centre (PHRC) and the so-called Green Salt Project (see paras 33–39 below).

#### **A.1.1. Contamination**

7. As part of its assessment of the correctness and completeness of Iran's declarations concerning its enrichment activities, the Agency is continuing to investigate the source(s) of low enriched uranium

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<sup>3</sup> The initial report to the Board of Governors on this matter was provided by the Director General orally at the Board's meeting on 17 March 2003. The Director General has since then submitted 16 written reports to the Board: GOV/2003/40, dated 6 June 2003; GOV/2003/63, dated 26 August 2003; GOV/2003/75, dated 10 November 2003; GOV/2004/11, dated 24 February 2004; GOV/2004/34, dated 1 June 2004, and Corr.1, dated 18 June 2004; GOV/2004/60, dated 1 September 2004; GOV/2004/83, dated 15 November 2004; INFCIRC/648, dated 1 August 2005; GOV/2005/61, dated 8 August 2005; GOV/2005/62, dated 10 August 2005; GOV/2005/67, dated 2 September 2005; GOV/INF/2005/13, dated 2 November 2005; GOV/2005/87, dated 18 November 2005; GOV/INF/2006/1, dated 3 January 2006; GOV/INF/2006/2, dated 10 January 2006; and GOV/INF/2006/3, dated 6 February 2006. In addition, the Deputy Director General for Safeguards made oral statements to the Board on 1 March 2005 (GOV/OR.1119), 16 June 2005 (GOV/OR.1130) and 2 February 2006.

(LEU) particles, and some high enriched uranium (HEU) particles, which were found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored.<sup>4</sup>

8. As reported by the Director General in November 2005,<sup>5</sup> the analysis of the environmental samples collected at a location in a Member State where, according to Iran, the centrifuge components had been stored by the procurement network in the mid-1990s prior to their shipment to Iran, did not indicate any traces of nuclear material. This could be explained, for example, by the fact that the storage locations had changed ownership and been renovated over the past decade, and the components had mainly been stored in their original packing.

9. To further understand the source of some of the contamination found in Iran, the Agency sampled in December 2005 a centrifuge which had been received by a Member State from the procurement network. The results of the analysis of those samples, together with earlier findings,<sup>6</sup> tend, on balance, to support Iran's statement about the foreign origin of most of the HEU contamination. However, the origin of some HEU particles, and of the LEU particles, remains to be further investigated. The Agency is awaiting additional information from another Member State from which contaminated components originated.

10. Due to the fact that it is difficult to establish a definitive conclusion with respect to the origin of all of the contamination, it is essential to make progress on the scope and chronology of Iran's experiments with UF<sub>6</sub> in its centrifuge enrichment programme.

#### **A.1.2. Acquisition of P-1 centrifuge technology**

11. As previously reported to the Board,<sup>7</sup> the Agency was shown by Iran in January 2005 a copy of a handwritten one-page document reflecting an offer said to have been made to Iran in 1987 by a foreign intermediary. The document concerned the possible supply of a disassembled centrifuge (including drawings, descriptions and specifications for the production of centrifuges); drawings, specifications and calculations for a "complete plant"; and materials for 2000 centrifuge machines. The document also made reference to: auxiliary vacuum and electric drive equipment; a complete set of workshop equipment for mechanical, electrical and electronic support; and uranium re-conversion and casting capabilities. Iran has declined the Agency's request for a copy of the one-page document.

12. On 25 January 2006, Iran reiterated that that document was the only remaining documentary evidence relevant to the scope and content of the 1987 offer, attributing this to the secret nature of the programme and the management style of the Atomic Energy Organization of Iran (AEOI) at that time. Iran stated that no other written evidence exists, such as meeting minutes, administrative documents, reports, personal notebooks or the like, to substantiate its statements concerning that offer.

13. Iran has maintained that only some components of one or two disassembled centrifuges, and supporting drawings and specifications, were delivered by the network, but that a number of other items of equipment referred to in the document were purchased directly from other suppliers.<sup>8</sup>

14. During the Agency's visit to Iran between 12 and 14 February 2006, Iran provided some clarification of supporting documentation previously shown to the Agency concerning items procured

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<sup>4</sup> GOV/2005/67, paras 9–12.

<sup>5</sup> GOV/2005/87, para. 3.

<sup>6</sup> GOV/2005/67, para. 12.

<sup>7</sup> GOV/2005/67, para. 14.

<sup>8</sup> GOV/2005/87, paras 5–6.

by Iran. Iran also showed the Agency delivery documents for most of the items said to have been purchased directly by Iran from other suppliers, which tend to confirm the Iranian statement concerning its acquisition of those items.

15. As previously reported to the Board,<sup>9</sup> according to Iran, there were no contacts by Iran with the network between 1987 and mid-1993. Statements made by Iran and key members of the network about the events leading to the mid-1990s offer are still at variance with each other. In this context, Iran has been requested to provide further clarification of the timing and purpose of certain trips taken by AEOI staff members in the mid-1990s.

16. Iran has said it is unable to supply any documentation or other information about the meetings that led to the acquisition of 500 sets of P-1 centrifuge components in the mid-1990s. The Agency is still awaiting clarification of the dates and contents of the shipments.

17. During the Agency's 12–14 February 2006 visit to Iran, no additional information related to the timing of the mid-1990s trips, or to the chronology or contents of the shipments, was made available by Iran. Iran agreed, however, to provide the Agency with further clarifications in writing regarding the latter issue.

### **A.1.3. Acquisition of P-2 centrifuge technology**

18. Iran still maintains that, as a result of the discussions held with the intermediaries in the mid-1990s, the intermediaries supplied only drawings for P-2 components containing no supporting specifications, and that no P-2 components were delivered by the intermediaries along with the drawings or thereafter. Iran continues to assert that no work was carried out on P-2 centrifuges during the period 1995 to 2002, and that at no time during this period did it ever discuss with the intermediaries the P-2 centrifuge design, or the possible supply of P-2 centrifuge components. In light of information available to the Agency indicating the possible delivery of such components during that period, which information was shared with Iran, Iran was asked in November 2005 to check again whether any deliveries of P-1 or P-2 components had been made after 1995. Iran reiterated to the Agency during its 12–14 February 2006 visit that there had been no such deliveries after 1995.

19. In connection with the research and development (R&D) work on a modified P-2 design, said by Iran to have been carried out by a contracting company between early 2002 and July 2003, Iran has confirmed that the contractor had made enquiries about, and purchased, magnets suitable for the P-2 centrifuge design. During the Agency's mid-February 2006 visit, Iran provided some additional clarification about the types of P-2 magnets it had received, but maintained that only a limited number of magnets had been delivered. In response to Agency questioning about Iran's inquiries into the delivery of larger quantities of magnets (900 pieces) from a foreign entity in mid-2003, Iran stated that it had never ordered or received such magnets. The Agency is still awaiting clarification of all of Iran's efforts to acquire such magnets.

## **A.2. Uranium Metal**

20. As reported to the Board in the Director General's report of November 2005,<sup>10</sup> among the documents shown by Iran to the Agency, said to have been the centrifuge enrichment related drawings, specifications and supporting documentation provided by the intermediaries, was a 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal in small quantities, and

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<sup>9</sup> GOV/2005/87, para. 11.

<sup>10</sup> GOV/2005/87, para. 6.

for the casting of enriched and depleted uranium metal into hemispheres, related to the fabrication of nuclear weapon components. It did not, however, include dimensions or other specifications for machined pieces for such components. According to Iran, this document was provided on the initiative of the network, and not at the request of the AEIOI, but it is not able to establish when Iran received the document. Iran has declined the Agency's request to provide it with a copy of the document, but did permit the Agency, during its visit in January 2006, to examine the document again and to place it under Agency seal. During the visit in mid-February 2006, the Agency again requested a copy of the document in order for the Agency to complete its assessment of the document, which Iran again declined to provide.

21. As described in the Director General's report of November 2004, during the period between 1995 and 2000, Iran conducted a series of experiments to produce uranium metal from UF<sub>4</sub>.<sup>11</sup> Based on the results of the Agency's investigations, it appears that Iran's motivation for conducting uranium reduction experiments was initially to make uranium metal for its laser programme and, later, to develop an alternative process for the Uranium Conversion Facility (UCF).<sup>12</sup> While Iran also made a few simple attempts at casting and machining, neither these nor the reduction experiments appear to have followed the procedures outlined in the 15-page document referred to above.

22. Although there is no indication about the actual use of the document, its existence in Iran is a matter of concern. It is related to uranium re-conversion and casting which was part of the original 1987 offer by the intermediaries but which was not, according to Iran, pursued. However, the Agency is aware that the intermediaries had this document, as well as other similar documents, which the Agency has seen in another Member State. Therefore, it is essential to understand the full scope of the offer made by the network in 1987.

### **A.3. Plutonium Experiments**

23. As indicated earlier,<sup>13</sup> the Agency has been following up with Iran information provided by Iran concerning its plutonium separation experiments.

24. In order to clarify differences between findings by the Agency and statements made by Iran, a number of plutonium discs were brought by the Agency to Vienna for further analysis to determine the exact isotopic composition of the plutonium. The Agency's analysis showed, in particular, that the Pu-240 content measured on eight of the discs was significantly lower than the Pu-240 content of the solution from which the plutonium deposited on the discs was said to have originated.

25. In August 2005, the Agency also conducted detailed verification of unprocessed irradiated UO<sub>2</sub> targets stored in containers in Iran. The results of these non-destructive and destructive analysis measurements indicate that the duration of irradiation was longer than the duration derived from the irradiation parameters provided by Iran.

26. On 6 February 2006, the Agency provided Iran with a summary report of the results of the Agency's analysis of all data available to it as of that date and requested further clarifications in light

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<sup>11</sup> GOV/2004/83, paras 13–22.

<sup>12</sup> The Agency has noted in past reports that the role of uranium metal in Iran's nuclear fuel cycle still needed to be fully understood. Iran has told the Agency that its rationale for such work was the use of uranium metal: for Iran's possible future Magnox reactors; for the production of radiation shielding; as feed material for its laser enrichment programme; for radiation shielding; and to gain know-how in nuclear material production. The rationale given by Iran for the production of depleted uranium metal was to reduce the storage requirements for depleted UF<sub>6</sub>. See GOV/2003/40, paras 20 and 34; GOV/2003/63, paras 20–21; GOV/2003/75, para. 25; GOV/2004/11, para. 15; and GOV/2004/83, para. 20.

<sup>13</sup> GOV/2005/67, paras 21–25.

of the above inconsistencies. During its 12–14 February 2006 visit to Iran, the Agency met with Iranian officials to discuss the Agency's findings; in the course of the discussion, Iran agreed to provide such clarifications. In a letter dated 15 February 2006, Iran provided some clarifications in connection with the issue referred to in paragraph 25 above, which the Agency is now assessing.

#### **A.4. Other Implementation Issues**

27. There are no new developments to report with respect to Iran's uranium mining activities<sup>14</sup> or with respect to Iran's activities involving polonium and beryllium,<sup>15</sup> which the Agency is still assessing.

28. On 19 February 2006, the Agency visited the Iran Nuclear Research Reactor (IR-40) at Arak to carry out design information verification, and confirmed that the civil engineering work was still ongoing. However, according to Iran, the commissioning date for the reactor is likely to be postponed until 2011.

29. On 9 October 2005, the Agency also carried out a design information verification visit at the Fuel Manufacturing Plant (FMP) at Esfahan. The civil engineering construction of the plant is ongoing; however, the Agency was informed that the commissioning date of 2007, as indicated in the design information provided by Iran, was likely to be postponed.

#### **A.5. Voluntary Implementation of the Additional Protocol**

30. Iran has continued to facilitate access under its Safeguards Agreement as requested by the Agency and, until 6 February 2006, implemented the Additional Protocol as if it were in force, including by providing, in a timely manner, the requisite declarations and access to locations. Since November 2005, the Agency has conducted complementary access at three locations.

31. On 6 February 2006, Iran informed the Agency, inter alia, that:<sup>16</sup>

- “1. As stipulated in Para 7 of INFCIRC/666, from the date of this letter, our commitment on implementing safeguards measures will only be based on the NPT Safeguards Agreement between the Islamic Republic of Iran and the Agency (INFCIRC/214).
2. From the date of this letter, all voluntarily suspended non-legally binding measures including the provisions of the Additional Protocol and even beyond that will be suspended.

Therefore based on the above mentioned, it is requested the following measures be taken by the Agency:

- a. The Agency's inspector presence in the Islamic Republic of Iran for the verification activities should be scheduled only on the basis of the Safeguards Agreement.
- b. All the Agency's containment and surveillance measures which were in place beyond the normal Agency safeguards measures should be removed by mid February 2006.

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<sup>14</sup> GOV/2005/67, paras 26–31.

<sup>15</sup> GOV/2005/67, para. 34.

<sup>16</sup> GOV/INF/2006/3.

- c. From now on, the regular channels of communication (code 1.1 of the Subsidiary Arrangement) should only be through the Permanent Mission of the Islamic Republic of Iran to the IAEA in Vienna.”

## **A.6. Transparency Visits and Discussions**

32. On 1 November 2005, the Agency was given access to a military site at Parchin where several environmental samples were taken.<sup>17</sup> The Agency did not observe any unusual activities in the buildings visited, and the results of the analysis of environmental samples did not indicate the presence of nuclear material at those locations.

33. Since 2004, the Agency has been awaiting additional information and clarifications related to efforts made by the PHRC, which had been established at Lavisan-Shian,<sup>18</sup> to acquire dual use materials and equipment that could be used in uranium enrichment and conversion activities. The Agency also requested interviews with the individuals involved in the acquisition of those items, including the former Head of the PHRC.

34. In that connection, on 26 January 2006, Iran presented to the Agency documentation on efforts by Iran, which it has stated were unsuccessful, to acquire a number of specific dual use items (electric drive equipment, power supply equipment and laser equipment, including a dye laser). Iran stated that, although the documentation suggested the involvement of the PHRC, the equipment had actually been intended for a laboratory at a technical university where the Head of the PHRC worked as a professor. Iran declined to make him available to the Agency for an interview. The Secretariat reiterated its request to interview the professor, explaining that it was essential for a better understanding of the envisioned and actual use of the equipment in question, as well as other equipment that could be relevant to uranium enrichment (balancing machines, mass spectrometers, magnets and fluorine handling equipment).

35. As indicated by the DDG-SG in his February 2006 statement to the Board, in January 2006, the Agency presented to Iran a list of high vacuum equipment purchased by the PHRC, and asked to see the equipment in situ, and to be permitted to take environmental samples from it. Some of the equipment on the Agency's list was presented to the Agency at a technical university, and environmental samples were taken from it, the results of which are still pending. The Agency subsequently wrote to Iran requesting additional clarifications regarding the procurement efforts of the PHRC and the relationship between the PHRC and the technical university. During the Agency's visit in mid-February 2006, Iran declined to discuss this matter further.

36. On 26 February 2006, the Agency met in Iran with the former Head of the PHRC, referred to above. He stated that the electric drive equipment, the power supply equipment, the laser equipment and the vacuum equipment had been used for R&D in various departments of the university. The professor explained that his expertise and connections, as well as resources available at his office in the PHRC, had been used for the procurement of equipment for the technical university. He was not aware, however, of the type of research in which other professors at the university were engaged. To the best of his knowledge, the vacuum equipment referred to above had been ordered for the physics department of the university. In this connection, Iran stated that this equipment had been used for vacuum coating, and was currently being utilized for nano technology applications. The Agency is

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<sup>17</sup> GOV/2005/87, para. 16.

<sup>18</sup> According to Iran, the PHRC was established at Lavisan-Shian in 1989, inter alia, to “support and provide scientific advice and services to the Ministry of Defence” (see GOV/2004/60, para. 43).

assessing this information. Iran also agreed to provide the requested clarifications in relation to the balancing machines, mass spectrometers, magnets and fluorine handling equipment.

37. As also indicated by the DDG-SG in his February 2006 statement to the Board, in January 2006, Iran provided additional clarification of its efforts in 2000 to procure some other dual use material (high strength aluminium, special steel, titanium and special oils), as had been discussed in January 2005. High strength aluminium was presented to the Agency, and environmental samples were taken therefrom. Iran stated that the material had been acquired for aircraft manufacturing, but that it had not been used because of its specifications. Iran agreed to provide additional information on inquiries concerning the purchase of special steels, titanium and special oils. Iran also presented information on Iran's acquisition of corrosion resistant steel, valves and filters, which were made available to the Agency on 31 January 2006 for environmental sampling. The results of the environmental samples are still pending.

38. On 5 December 2005, the Secretariat repeated its request for a meeting to discuss information that had been made available to the Secretariat about alleged studies, known as the Green Salt Project, concerning the conversion of uranium dioxide into UF<sub>4</sub> (often referred to as "green salt"), as well as tests related to high explosives and the design of a missile re-entry vehicle, all of which could involve nuclear material and which appear to have administrative interconnections. On 16 December 2005, Iran replied that the "issues related to baseless allegations." Iran agreed on 23 January 2006 to a meeting with the DDG-SG for the clarification of the alleged Green Salt Project, but declined to address the other topics during that meeting. In the course of the meeting, which took place on 27 January 2006, the Agency presented for Iran's review a copy of a process flow diagram related to bench scale conversion and a number of communications related to the project. Iran reiterated that all national nuclear projects are conducted by the AEOL, that the allegations were baseless and that it would provide further clarifications later.

39. On 26 February 2006, the DDG-SG met with Iranian authorities to discuss the alleged Green Salt Project. Iran repeated that the allegations "are based on false and fabricated documents so they were baseless," and that neither such a project nor such studies exist or did exist. It stated that all national efforts had been devoted to the UCF project, and that it would not make sense to develop indigenous capabilities to produce UF<sub>4</sub> when such technology had already been acquired from abroad. According to information provided earlier by Iran, the company alleged to have been associated with the so-called Green Salt Project had, however, been involved in procurement for UCF and in the design and construction of the Gchine ore processing plant.

40. The Agency is assessing this and other information available to it, and is waiting for Iran to address the other topics which could have a military nuclear dimension, as mentioned above.

## **A.7. Suspension**

41. In a letter dated 3 January 2006, Iran informed the Agency that it had decided to resume, as from 9 January 2006, "those R&D on the peaceful nuclear energy programme which ha[d] been suspended as part of its expanded voluntary and non-legally binding suspension".<sup>19</sup> On 7 January 2006, the Agency received a letter from Iran requesting that the Agency remove seals applied at Natanz, Farayand Technique and Pars Trash for the monitoring of suspension of enrichment related

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<sup>19</sup> GOV/INF/2006/1.

activities.<sup>20</sup> The seals were removed by Iran on 10 and 11 January 2006 in the presence of Agency inspectors.

42. Since the removal of the seals, Iran has begun substantial renovation of the gas handling system at the Pilot Fuel Enrichment Plant (PFEP) at Natanz. Iran has also informed the Agency that quality control of components, and some rotor testing, was being carried out at Farayand Technique and at Natanz. Due to the fact that no centrifuge related raw materials and components are under Agency seal, the Agency is unable effectively to monitor the R&D activities being carried out by Iran except at PFEP, where containment and surveillance measures are being applied to the enrichment process. On 29 January 2006, the two cylinders at PFEP containing UF<sub>6</sub> from which seals had been removed on 10 January 2006 were again placed under Agency containment and surveillance.

43. On 8 February 2006, updated design information for PFEP and for the Fuel Enrichment Plant (FEP) were received by the Agency. Equipment such as process tanks and an autoclave are currently being moved into the FEP; commencement of the installation of the first 3000 P-1 machines at FEP is planned for the fourth quarter of 2006.

44. On 11 February 2006, Iran started enrichment tests by feeding a single P-1 machine with UF<sub>6</sub> gas. At that time, other single P-1 machines were ready for operation and a 10-machine cascade was undergoing vacuum tests. The feeding of the 10-machine cascade was begun on 15 February 2006, and, on 22 February 2006, a 20-machine cascade was subjected to vacuum testing. The enrichment process at PFEP is covered by Agency safeguards containment and surveillance measures.

45. In the letter received from Iran on 6 February 2006, referred to in paragraph 31 above, Iran stated, *inter alia*, that the implementation of safeguards measures would only be based on its NPT Safeguards Agreement and requested that “[a]ll the Agency’s containment and surveillance measures which were in place beyond the normal Agency safeguards measures should be removed by mid February 2006.”<sup>21</sup> Accordingly, on 12 February 2006, the Agency modified the containment and surveillance measures at UCF. The UF<sub>6</sub> filling stations, all filled UF<sub>6</sub> cylinders and all UF<sub>6</sub> produced at UCF, however, remain under Agency safeguards containment and surveillance measures. The uranium conversion campaign which was begun at UCF in November 2005 is continuing and is now expected to end in April 2006. Since September 2005, approximately 85 metric tons of UF<sub>6</sub> has been produced at UCF.

## **B. Current overall assessment**

46. A detailed overall assessment of Iran’s nuclear programme and the Agency’s efforts to verify Iran’s declarations with respect to that programme was provided by the Director General in November 2004<sup>22</sup> and again in September 2005.<sup>23</sup> As indicated in those reports, Iran has made substantial efforts over the past two decades to master an independent nuclear fuel cycle, and, to that end, has conducted experiments to acquire the know-how for almost every aspect of the fuel cycle. Many aspects of Iran’s nuclear fuel cycle activities and experiments, particularly in the areas of uranium enrichment, uranium conversion and plutonium research, had not been declared to the Agency in accordance with Iran’s

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<sup>20</sup> GOV/INF/2006/2.

<sup>21</sup> GOV/INF/2006/3.

<sup>22</sup> GOV/2004/83, paras 106–114.

<sup>23</sup> GOV/2005/67, paras 42–52.

obligations under its Safeguards Agreement. Iran's policy of concealment continued until October 2003, and resulted in many breaches of its obligation to comply with that Agreement, as summarized in the Director General's report of September 2005.<sup>24</sup>

47. Since October 2003, Iran has taken corrective actions with respect to those breaches. The Agency has been able to confirm certain aspects of Iran's current declarations, in particular in connection with uranium conversion activities, laser enrichment, fuel fabrication and the heavy water research reactor programme, which the Agency has been following up as routine implementation matters under Iran's Safeguards Agreement and, until 6 February 2006, its Additional Protocol.

48. Two important issues were identified in the Director General's November 2004 report as relevant to the Agency's efforts to provide assurance that there are no undeclared enrichment activities in Iran, specifically: the origin of LEU and HEU particle contamination found at various locations in Iran; and the extent of Iran's efforts to import, manufacture and use centrifuges of both the P-1 and P-2 designs.

49. With respect to the first issue — contamination — as indicated above, based on the information currently available to the Agency, the results of the environmental sample analysis tend, on balance, to support Iran's statement about the foreign origin of most of the observed HEU contamination. It is still not possible at this time, however, to establish a definitive conclusion with respect to all of the contamination, particularly the LEU contamination. This underscores the importance of additional information on the scope and chronology of Iran's P-1 and P-2 centrifuge programmes, which could greatly contribute to the resolution of the remaining contamination issues.

50. With respect to the second issue — the P-1 and P-2 centrifuge programmes — although some progress has been made since November 2004 in the verification of statements by Iran regarding the chronology of its centrifuge enrichment programme, the Agency has not yet been able to verify the correctness and completeness of Iran's statements concerning those programmes. While Iran has provided further clarifications, and access to additional documentation, concerning the 1987 and mid-1990s offers related to the P-1 design, the Agency's investigation of the supply network indicates that Iran should have additional supporting information that could be useful in this regard. Iran has also been asked to provide additional details on the process that led to Iran's decision in 1985 to pursue centrifuge enrichment and on the steps leading to its acquisition of centrifuge enrichment technology in 1987. However, Iran maintains that no information, other than that already provided to the Agency, exists.

51. No additional information or documentation has been provided with respect to Iran's statement that it did not pursue any work on the P-2 design between 1995 and 2002. As indicated above, Iran has been requested to search for more information, and any supporting documentation, relevant to the P-2 programme, in particular with regard to the scope of the original offer in connection with the P-2 centrifuge design and Iran's acquisition of items linked to that programme. Iran, however, maintains that no such information exists.

52. The Agency continues to follow up on all information pertaining to Iran's nuclear programme and activities. Although absent some nexus to nuclear material the Agency's legal authority to pursue the verification of possible nuclear weapons related activity is limited, the Agency has continued to seek Iran's cooperation as a matter of transparency in following up on reports related to equipment, materials and activities which have applications both in the conventional military area and in the civilian sphere as well as in the nuclear military area. In this regard, Iran has permitted the Agency to visit defence related sites at Kolahdouz, Lavisan and Parchin. The Agency did not observe any

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<sup>24</sup> GOV/2005/67, paras 4–8.

unusual activities in the buildings visited at Kolehduz and Parchin, and the results of environmental sampling did not indicate the presence of nuclear material at those locations. The Agency is still assessing the available information, and awaiting other additional information, in relation to the Lavisian site and the PHRC.

53. As indicated to the Board in November 2004, and again in September 2005, all the declared nuclear material in Iran has been accounted for. Although the Agency has not seen any diversion of nuclear material to nuclear weapons or other nuclear explosive devices, the Agency is not at this point in time in a position to conclude that there are no undeclared nuclear materials or activities in Iran. The process of drawing such a conclusion, under normal circumstances, is a time consuming process even with an Additional Protocol in force. In the case of Iran, this conclusion can be expected to take even longer in light of the undeclared nature of Iran's past nuclear programme, and in particular because of the inadequacy of information available on its centrifuge enrichment programme, the existence of a generic document related to the fabrication of nuclear weapon components, and the lack of clarification about the role of the military in Iran's nuclear programme, including, as mentioned above, about recent information available to the Agency concerning alleged weapon studies that could involve nuclear material.

54. It is regrettable, and a matter of concern, that the above uncertainties related to the scope and nature of Iran's nuclear programme have not been clarified after three years of intensive Agency verification. In order to clarify these uncertainties, Iran's full transparency is still essential. Without full transparency that extends beyond the formal legal requirements of the Safeguards Agreement and Additional Protocol — transparency that could only be achieved through Iran's active cooperation — the Agency's ability to reconstruct the history of Iran's past programme and to verify the correctness and completeness of the statements made by Iran, particularly with regard to its centrifuge enrichment programme, will be limited, and questions about the past and current direction of Iran's nuclear programme will continue to be raised. Such transparency should primarily include access to, and cooperation by, relevant individuals; access to documentation related to procurement and dual use equipment; and access to certain military owned workshops and R&D locations that the Agency may need to visit in the future as part of its investigation.

55. The Agency will pursue its investigation of all remaining outstanding issues relevant to Iran's nuclear programme, and the Director General will continue to report to the Board as appropriate.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"On 4 February the IAEA Board of Governors decided by an overwhelming majority that the issue of Iran's nuclear programme should be reported to the UN Security Council. The EU expresses its deep concern at Iran's continuing failure to cooperate fully with the IAEA and to take the steps necessary to re-establish international confidence in the peaceful purpose of its nuclear programme, as recorded in the Director General's report of 27 February.

The EU continues to be committed to a diplomatic solution. The Council deeply regrets that Iran has failed to implement in full the measures deemed necessary by the IAEA Board. As a result, the UN Security Council is currently considering appropriate steps. The Council believes that the Security Council should act to reinforce the authority of the IAEA. The Council calls again upon Iran urgently to meet in full the requests set out in the IAEA Board of Governors' resolution of 4 February. The Council underlines that this should include a full suspension of all enrichment-related and reprocessing activities.

The nuclear issue will remain a central and pressing concern. The Council however also underlines the necessity that Iran addresses effectively all the EU's areas of concern which include terrorism, Iran's approach to the Middle East peace process, regional issues as well as respect for human rights and fundamental freedoms. The Council welcomes the release of Akbar Ganji on 17 March. It condemns his detention and treatment while in prison and calls on the Iranian authorities to release all other prisoners of conscience immediately and unconditionally. The Council deplores the deterioration of the human rights situation in Iran and condemns the violence used against peaceful protesters on International Women's Day. The Council reaffirms that full respect for human rights in Iran is essential, also for progress in EU/Iran relations. The Council affirms that the EU will continue to register its human rights concerns, raising in particular the plight of Iran's persecuted human rights defenders, the situation of minorities and capital punishment.

The EU will keep all its diplomatic options under close review and will calibrate its approach in the light of Iranian declarations and actions."



## Security Council

Distr.: General  
29 March 2006

Original: English

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### Statement by the President of the Security Council

At the 5403rd meeting of the Security Council, held on 29 March 2006, in connection with the Council's consideration of the item entitled "Non-proliferation", the President of the Security Council made the following statement on behalf of the Council:

"The Security Council reaffirms its commitment to the Treaty on the Non-proliferation of Nuclear Weapons and recalls 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.

"The Security Council notes with serious concern the many IAEA reports and resolutions related to Iran's nuclear programme, reported to it by the IAEA Director General, including the February IAEA Board Resolution (GOV/2006/14).

"The Security Council also notes with serious concern that the Director General's report of 27 February 2006 (GOV/2006/15) lists a number of outstanding issues and concerns, 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.

"The Security Council notes with serious concern Iran's decision to resume enrichment-related activities, including research and development, and to suspend cooperation with the IAEA under the Additional Protocol.

"The Security Council calls upon Iran to take the steps required by the IAEA Board of Governors, notably in the first operative paragraph of 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 underlines, in this regard, the particular importance of re-establishing full and sustained suspension of all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA.

"The Security Council expresses the conviction that such suspension and 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, and

underlines the willingness of the international community to work positively for such a solution which will also benefit nuclear non-proliferation elsewhere.

“The Security Council strongly supports the role of the IAEA Board of Governors and commends and encourages the Director General of the IAEA and its secretariat for their ongoing professional and impartial efforts to resolve outstanding issues in Iran, and underlines the necessity of the IAEA continuing its work to clarify all outstanding issues relating to Iran’s nuclear programme.

“The Security Council requests in 30 days a report from the Director General of the IAEA on the process of Iranian compliance with the steps required by the IAEA Board, to the IAEA Board of Governors and in parallel to the Security Council for its consideration.”

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**- *Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council welcomes the UN Security Council Presidential Statement of 29 March, which reinforced the role of the IAEA and called upon Iran to take the steps required by the IAEA Board of Governors, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme. It also welcomes the conclusions of the Ministerial meeting in Berlin on 30 March. The Council underlines that the international community is united and determined to uphold the authority of IAEA Board resolutions and to prevent the proliferation of nuclear weapons.

The Council remains committed to a diplomatic solution. It calls on Iran to comply with the UN Security Council Presidential Statement and implement all IAEA Board resolutions in full and to suspend all enrichment-related and reprocessing activities, including research and development, to allow a return to negotiations.

The Council underlines its continued concerns about the human rights situation in Iran, in particular regarding the situation of Baha'is and other religious minorities as well as of human rights defenders, including Mr. Akbar Ganji and Mr. Abdolfattah Soltani."

# Board of Governors

**GOV/2006/27**

Date: 28 April 2006

Original: English

**For official use only**

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 4 February 2006, the Board of Governors adopted a resolution (GOV/2006/14) in paragraph 1 of which it, inter alia, underlined that outstanding questions concerning the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran<sup>1</sup> (Iran) could best be resolved and confidence built in the exclusively peaceful nature of Iran's nuclear programme by Iran responding positively to the Board's calls for confidence building measures. In this context, the Board deemed it necessary for Iran to:

- re-establish full and sustained suspension of all enrichment related and reprocessing activities, including research and development, to be verified by the Agency;
- reconsider the construction of a research reactor moderated by heavy water;
- ratify promptly and implement in full the Additional Protocol;
- pending ratification, continue to act in accordance with the provisions of the Additional Protocol which Iran signed on 18 December 2003;
- implement transparency measures, as requested by the Director General, including in GOV/2005/67, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include such access to individuals, documentation relating to procurement, dual use equipment, certain military-owned workshops and research and development as the Agency may request in support of its ongoing investigations.

2. In paragraph 2 of that resolution, the Board requested the Director General to report to the United Nations Security Council that the steps set out in paragraph 1 of the resolution were required of Iran by the Board and to report to the Security Council all IAEA reports and resolutions, as adopted, relating to this issue. In paragraph 8 of GOV/2006/14, the Board also requested the Director General to report on the implementation of that resolution, and previous resolutions, to the next regular session

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<sup>1</sup> INFCIRC/214.

of the Board, for its consideration, and immediately thereafter to convey, together with any resolution from the March Board, that report to the Security Council.

3. Following receipt by the Security Council of the Director General's report (GOV/2006/15), the President of the Security Council made a statement on behalf of the Council (reproduced in GOV/INF/2006/7) in which the Council, inter alia, called upon Iran to take the steps required by the Board of Governors, notably in the first operative paragraph of 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 underlined, in this regard, the particular importance of re-establishing full and sustained suspension of all enrichment related and reprocessing activities, including research and development, to be verified by the Agency. The Security Council requested in 30 days a report from the Director General on the process of Iranian compliance with the steps required by the Board of Governors, to the Board and in parallel to the Security Council for its consideration.

4. This report is being submitted to the Board and in parallel to the Security Council. It provides an update on the developments that have taken place since March 2006 in the implementation of Iran's Safeguards Agreement, on the Agency's verification of Iran's implementation of the confidence building measures requested by the Board of Governors, and on the Agency's overall assessment in connection with the implementation of Iran's Safeguards Agreement.

## **A. Developments since March 2006**

5. On 13 April 2006, at the invitation of Iran, the Director General and an Agency team met in Tehran with the President of the Atomic Energy Organization of Iran (AEOI), the Secretary of the Supreme National Security Council of Iran and other Iranian officials to discuss issues relevant to the verification of the correctness and completeness of Iran's declarations. The Director General urged Iran to accelerate substantially its cooperation with the Agency on the outstanding verification issues, and underlined the importance of Iran's implementation of the confidence building measures requested by the Board of Governors.

6. On 27 April 2006, the Director General received from Iran a letter of the same date in which it stated, inter alia, the following:

- "1 - Islamic Republic of Iran has fully cooperated with the Agency during the past three years in accordance with the NPT Comprehensive Safeguards, the Additional Protocol and even beyond the Additional Protocol which was voluntarily implemented as if it was ratified.
- "2 - Islamic Republic of Iran has granted the full and unrestricted access to nuclear facilities during the past three years in the course of around 2000 man-day inspections.
- "3 - All nuclear facilities and activities have been under the Agency's Safeguards.
- "4 - Nuclear materials have been declared to the Agency and have been accounted for.
- "5 - Islamic Republic of Iran is fully committed to its obligations under the NPT and the comprehensive Safeguards Agreement (INFCIRC/153).

“6 - Islamic Republic of Iran is fully prepared to continue granting the Agency’s inspection in accordance with the Comprehensive Safeguards provided that the Iran’s nuclear dossier will remain, in full, in the framework of the IAEA and under its safeguards, the Islamic Republic of Iran is prepared to resolve the remaining outstanding issues reflected in [the Director General’s] report GOV/2006/15 of 27 February 2006, in accordance with the international laws and norms. In this regard, Iran will provide a time table within next three weeks.”

## **A.1. Enrichment Programme**

7. As noted in the Director General’s report of 27 February 2006 (GOV/2006/15), the Agency has repeatedly requested Iran to provide additional information on certain issues related to its enrichment programme. Iran declined to discuss these matters at the 12–14 February 2006 meeting in Tehran referred to in paragraph 6 of GOV/2006/15 on the grounds that, in its view, they were not within the scope of the Safeguards Agreement. Iran reasserted this position in a meeting which took place with Agency inspectors in Tehran on 8 April 2006. The Agency reiterated that it was essential to resolve these questions so that the Agency can verify the correctness and completeness of Iran’s declarations, particularly in light of the two decades of concealed activities. The current status of these outstanding issues is as follows.

### **A.1.1. Contamination**

8. Although the results of the Agency’s analyses to date tend, on balance, to support Iran’s statement regarding the foreign origin of most of the high enriched uranium (HEU) contamination which was found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored, the Agency is continuing to investigate the source(s) of low enriched uranium particles, and some HEU particles, found at those locations.<sup>2</sup>

9. Since it will be difficult to establish a definitive conclusion with respect to the origin of all of the contamination, it is essential for the Agency to make progress in ascertaining the scope and chronology of Iran’s centrifuge enrichment programme. The implementation of the Additional Protocol and Iran’s full cooperation in this regard are essential for the Agency be able to provide the required assurance concerning the absence of undeclared nuclear material and activities in Iran.

### **A.1.2. Acquisition of P-1 centrifuge technology**

10. As noted in previous reports, the Agency was shown by Iran in January 2005 a copy of a handwritten one-page document reflecting an offer said to have been made to Iran in 1987 by a foreign intermediary.<sup>3</sup> In order to be able to ascertain its nature and origin, a copy of the document is needed by the Agency. However, Iran continues to decline the Agency’s request for a copy of the document.

11. As previously reported, according to Iran, there were no contacts by Iran with the network between 1987 and mid-1993, when discussions leading to the later offer in the mid-1990s are said to

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<sup>2</sup> GOV/2006/15, paras 7–10.

<sup>3</sup> Most recently in GOV/2006/15, para. 11. The document related to the possible supply of: a disassembled centrifuge; drawings, specifications and calculations for a “complete plant”; and materials for 2000 centrifuge machines. The document also made reference, inter alia, to uranium re-conversion and casting capabilities. Iran has repeatedly stated that that document was the only remaining documentary evidence relevant to the scope and content of the 1987 offer, attributing this to the secret nature of the programme and the management style of the AEOI at that time. Iran has stated that no other written evidence exists, such as meeting minutes, administrative documents, reports, personal notebooks or the like, to substantiate its statements concerning that offer.

have been initiated.<sup>4</sup> Statements made by Iran and key members of the network about the events leading to the mid-1990s offer are still at variance with each other. Iran has yet to provide further clarification in this regard. Iran has also said that it is unable to provide any documentation or other information about the meetings that led to its acquisition of 500 sets of P-1 centrifuge components in the mid-1990s. The Agency is still awaiting clarification of the dates and contents of the shipments containing those components.

### **A.1.3. Acquisition of P-2 centrifuge technology**

12. As reflected in the Director General's previous report, Iran still maintains that, after having received the drawings for P-2 components in 1995, it carried out no work on P-2 centrifuges until 2002, and that at no time during the intervening period did it ever discuss with the intermediaries the P-2 centrifuge design or the possible supply of P-2 centrifuge components.<sup>5</sup> Iran also continues to maintain that there were no deliveries of any centrifuge components after 1995.

13. In connection with the research and development (R&D) work on a modified P-2 design, said by Iran to have been carried out by a contracting company between early 2002 and July 2003, Iran has confirmed that the contractor had made enquiries about, and purchased, magnets suitable for the P-2 centrifuge design. In February 2006, Iran provided some additional clarification about the types of P-2 magnets that it had received, but maintained that only a limited number of magnets had been delivered. The Agency is still investigating this matter.

14. In mid-April 2006, there were several reports in the press about statements by high level Iranian officials concerning R&D and testing of P-2 centrifuges by Iran. The Agency has asked Iran to clarify these statements.

## **A.2. Uranium Metal**

15. The references to uranium re-conversion and casting capabilities in the one-page document mentioned in paragraph 10 above have taken on greater significance in light of the existence of the 15-page document shown to the Agency by Iran describing the procedures for the reduction of UF<sub>6</sub> to uranium metal in small quantities, and for the casting of enriched and depleted uranium metal into hemispheres.<sup>6</sup>

16. As previously reported, although there is no indication about the actual use of the latter document or when it was received, its existence in Iran is a matter of concern. The Agency is aware that the intermediaries had this document, as well as other similar documents, which it has seen in other Member States. Therefore, it is essential that the Agency be able to understand the full scope of the offer made by the network in 1987 and to confirm what was obtained by Iran in connection with that offer, and when. To do so, it is necessary for the Agency to have a copy of the 15-page document, so that it can follow up further on these issues. However, Iran has continued to decline the Agency's request for a copy.

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<sup>4</sup> GOV/2006/15, para. 15.

<sup>5</sup> GOV/2006/15, para. 18.

<sup>6</sup> GOV/2006/15, paras 20–22. According to Iran, the document was provided on the initiative of the intermediaries, and not at the request of the AEIOI. The document is currently under Agency seal.

### **A.3. Plutonium Experiments**

17. As indicated earlier, the Agency has been following up with Iran information provided by Iran concerning experiments involving the separation of small (milligram) quantities of plutonium.<sup>7</sup> After having received Iran's further clarifications on 15 February 2006, and the results of additional sample analyses which confirmed the Agency's earlier findings, the Agency provided Iran on 30 March 2006 with an updated summary of its overall analysis of this issue. On 10 April 2006, the Agency met with Iranian officials to seek further explanations concerning the inconsistencies identified in that analysis. Following that meeting, in a letter dated 17 April 2006, Iran reaffirmed its previous explanations of the inconsistencies. In the light of the Agency's findings, the Agency cannot exclude the possibility — notwithstanding the explanations provided by Iran — that the plutonium analysed by the Agency was derived from source(s) other than the ones declared by Iran.

### **A.4. Heavy Water Research Reactor**

18. On 22 April 2006, the Agency visited the Iran Nuclear Research Reactor (IR-40) at Arak to carry out design information verification and confirmed that the civil engineering work was still ongoing.

### **A.5. Other Implementation Issues**

19. There are no new developments to report with respect to Iran's uranium mining activities.<sup>8</sup>

20. There are also no new developments to report with respect to Iran's experiments involving polonium.<sup>9</sup>

21. On 9–11 April 2006, the Agency discussed with Iran the routine safeguards measures to be implemented at the Uranium Conversion Facility (UCF) at Esfahan and the Pilot Fuel Enrichment Plant (PFEP) at Natanz. When fully implemented, the measures proposed by the Agency should allow it to meet all of the safeguards objectives for these facilities. Although agreement was reached on most of the measures, Iran still has reservations about the remote transmission of encrypted safeguards data to Agency Headquarters in Vienna.

22. On 11 April 2006, the Agency visited the Fuel Enrichment Plant (FEP) at Natanz, and observed that civil construction was ongoing.

### **A.6. Voluntary Implementation of the Additional Protocol**

23. Since 5 February 2006, Iran has not been implementing the provisions of its Additional Protocol.

### **A.7. Transparency Visits and Discussions**

24. Since 2004, the Agency has repeatedly requested additional information and clarifications related to efforts made by the Physics Research Centre (PHRC), which had been established at Lavisan-Shian, to acquire dual use materials and equipment that could also be used in uranium enrichment and

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<sup>7</sup> GOV/2006/15, paras 23–26.

<sup>8</sup> GOV/2005/67, paras 26–31.

<sup>9</sup> GOV/2005/67, para. 34; GOV/2004/83, para. 84.

conversion activities.<sup>10</sup> The Agency also requested interviews with the individuals involved in the acquisition of those items, including two former Heads of the PHRC.

25. As previously reported, the Agency met in February 2006 with one of the former Heads of the PHRC, who had been a university professor at a technical university while he was Head of the PHRC.<sup>11</sup> The Agency took environmental samples from some of the equipment said to have been procured for use by the university, the results of which are currently being assessed and discussed with Iran. Although Iran agreed to provide further clarifications in relation to efforts to procure balancing machines, mass spectrometers, magnets and fluorine handling equipment, the Agency has yet to receive such clarifications. Further access to the procured equipment is necessary for environmental sampling. Iran has continued to decline requests by the Agency to interview the other former Head of the PHRC.

26. In January 2006, Iran provided some clarification of its efforts in 2000 to procure some other dual use material (high strength aluminium, special steels, titanium and special oils). Iran agreed to provide additional information on these efforts, some of which the Agency has since received from Iran. Iran also presented information on its acquisition of corrosion resistant steel, valves and filters for UCF. In January 2006, environmental samples were taken from these latter items, the results of which are still pending.

27. As previously reported, the Deputy Director General for the Department of Safeguards met with Iranian authorities in February 2006 to discuss alleged studies related to the so-called Green Salt Project, to high explosives testing and to the design of a missile re-entry vehicle, all of which could have a military nuclear dimension and which appear to have administrative interconnections.<sup>12</sup>

28. As indicated in GOV/2006/15, Iran stated that the allegations with regard to the Green Salt Project “are based on false and fabricated documents so they were baseless,” and that neither such a project nor such studies exist or had existed. Iran stated that all national efforts had been devoted to the UCF project, and that it would not make sense to develop indigenous capabilities to produce UF<sub>4</sub> when such technology had already been acquired from abroad. However, according to information provided earlier by Iran, the company alleged to have been associated with the Green Salt Project had been involved in procurement for UCF and in the design and construction of the Gchine uranium ore processing plant.

29. The Agency is assessing the information provided by Iran during these discussions concerning the Green Salt Project, as well as other information available to it. However, Iran has yet to address the other topics of high explosives testing and the design of a missile re-entry vehicle.

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<sup>10</sup> According to Iran, the PHRC was established at Lavisan-Shian in 1989, inter alia, to “support and provide scientific advice and services to the Ministry of Defence” (GOV/2004/60, para. 43).

<sup>11</sup> Iran informed the Agency that the PHRC had attempted to acquire the electric drive equipment, the power supply equipment and the laser equipment, and had successfully purchased vacuum equipment for R&D in various departments of the university. The professor explained that his expertise and connections, as well as resources available at his office in the PHRC, had been used for the procurement of equipment for the technical university.

<sup>12</sup> GOV/2006/15, paras 38 and 39.

## A.8. Suspension

30. In a letter dated 3 January 2006, Iran informed the Agency that it had decided to resume, as from 9 January 2006, “those R&D on the peaceful nuclear energy programme which ha[d] been suspended as part of its expanded voluntary and non-legally binding suspension”.<sup>13</sup>

31. In February 2006, Iran started enrichment tests at PFEP by feeding UF<sub>6</sub> gas into a single P-1 machine, and later into 10-machine and 20-machine cascades. During March 2006, a 164-machine cascade was completed, and tests of the cascade using UF<sub>6</sub> were begun. On 13 April 2006, Iran declared to the Agency that an enrichment level of 3.6% had been achieved. On 18 April 2006, the Agency took samples at PFEP, the results of which tend to confirm as of that date the enrichment level declared by Iran. On that day, UF<sub>6</sub> gas was again being fed into the 164-machine cascade, and two additional 164-machine cascades were under construction. The enrichment process at PFEP, including the feed and withdrawal stations, is covered by Agency safeguards containment and surveillance measures.

32. The current uranium conversion campaign at UCF, which was initiated in November 2005, is still ongoing and is expected to be finished in April 2006. Since September 2005, approximately 110 tonnes of UF<sub>6</sub> has been produced at UCF, all of which remains under Agency containment and surveillance.

## B. Current overall assessment<sup>14</sup>

33. All the nuclear material declared by Iran to the Agency is accounted for. Apart from the small quantities previously reported to the Board, the Agency has found no other undeclared nuclear material in Iran. However, gaps remain in the Agency’s knowledge with respect to the scope and content of Iran’s centrifuge programme. Because of this, and other gaps in the Agency’s knowledge, including the role of the military in Iran’s nuclear programme, the Agency is unable to make progress in its efforts to provide assurance about the absence of undeclared nuclear material and activities in Iran.

34. 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. Any progress in that regard requires full transparency and active cooperation by Iran — transparency that goes beyond the measures prescribed in the Safeguards Agreement and Additional Protocol — if the Agency is to be able to understand fully the twenty years of undeclared nuclear activities by Iran. Iran continues to facilitate the implementation of the Safeguards Agreement and had, until February 2006, acted on a voluntary basis as if the Additional Protocol were in force. Until February 2006, Iran had also agreed to some transparency measures requested by the Agency, including access to certain military sites. Additional transparency measures, including access to documentation, dual use equipment and relevant individuals, are, however, still needed for the Agency to be able to verify the scope and nature

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<sup>13</sup> GOV/INF/2006/1.

<sup>14</sup> A detailed overall assessment of Iran’s nuclear programme and the Agency’s efforts to verify Iran’s declarations with respect to that programme was most recently provided to the Board of Governors by the Director General in February 2006. See GOV/2006/15, paras 46–54.

of Iran's enrichment programme, the purpose and use of the dual use equipment and materials purchased by the PHRC, and the alleged studies which could have a military nuclear dimension.

35. Regrettably, these transparency measures are not yet forthcoming. With Iran's decision to cease implementing the provisions of the Additional Protocol, and to confine Agency verification to the implementation of the Safeguards Agreement, the Agency's ability to make progress in clarifying these issues, and to confirm the absence of undeclared nuclear material and activities, will be further limited, and Agency access to activities not involving nuclear material (such as research into laser isotope separation and the production of sensitive components of the nuclear fuel cycle) will be restricted.<sup>15</sup>

36. While the results of Agency safeguards activities may influence the nature and scope of the confidence building measures that the Board requests Iran to take, it is important to note that safeguards obligations and confidence building measures are different, distinct and not interchangeable. The implementation of confidence building measures is no substitute for the full implementation at all times of safeguards obligations. In this context, it is also important to note that the Agency's safeguards judgements and conclusions in the case of Iran, as in all other cases, are based on verifiable information available to the Agency, and are therefore, of necessity, limited to past and present nuclear activities. The Agency cannot make a judgement about, or reach a conclusion on, future compliance or intentions.

37. The Agency will pursue its investigation of all remaining outstanding issues relevant to Iran's nuclear activities, and the Director General will continue to report as appropriate.

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<sup>15</sup> In this context, it is important to recall that, in September 2005, the Director General informed the Board of Governors that certain aspects of Iran's declarations would be followed up as a routine safeguards implementation matter (particularly in connection with conversion activities, laser enrichment, fuel fabrication and the heavy water research reactor programme) (GOV/2005/67, para. 43). Implicit in this statement was the understanding that the Agency would be able to follow up on these matters through the implementation of the Safeguards Agreement and the Additional Protocol. With the suspension of Iran's voluntary implementation of the Additional Protocol, the Agency's ability to do so will be restricted.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"1. The Council noted the IAEA Director General's report of 28 April. The Iranian authorities have failed to comply with the requests made by the Agency's Board of Governors and the UN Security Council and have also failed to actively cooperate with the Agency to clarify the outstanding issues, including those that may have a military dimension.

2. The Council deeply regrets the failure of the Iranian authorities to take the steps deemed essential by the IAEA Board and the UN Security Council as well as their threats to maintain this failure into the future. It calls on the Iranian authorities to cooperate fully with the IAEA, suspend all enrichment-related and reprocessing activities, including research and development, and to suspend the construction of a reactor moderated by heavy water in order to create conditions in which negotiations might resume. The EU fully supports the Security Council making this mandatory.

3. The Council reaffirms the right of Iran to the use of nuclear energy for peaceful purposes in conformity with its obligations under the NPT. Building on the proposals of August 2005 as confirmed by the Council in its February 2006 conclusions, the EU would be prepared to support Iran's development of a safe, sustainable and proliferation-proof civilian nuclear programme, if international concerns were fully addressed and confidence in Iran's intentions established. The EU hopes that Iran will not fail to take up such an offer.

4. At the same time, the EU is determined to preserve the effectiveness of the multilateral non-proliferation system. The Council stresses the importance of exercising the utmost vigilance in the application of existing export control mechanisms for sensitive material so as to prevent the transfer of goods, technology and materials that might be used, directly or indirectly, in fissile material programmes and missile programmes.

## **Elements of a proposal to Iran**

**as approved on 1 June 2006 at the meeting in Vienna of**

**China, France, Germany, the Russian Federation,  
the United Kingdom, the United States of America  
and the European Union**

**FOR FURTHER DETAILS:**

**Spokesperson of the Secretary General, High Representative for CFSP**

**☎ +32 (0)2 281 6467 / 8239 / 5150 / 5151 ☏ +32 (0)2 281 5694**

**internet: <http://www.consilium.europa.eu/solana>**

**e-mail: [presse.cabinet@consilium.europa.eu](mailto:presse.cabinet@consilium.europa.eu)**

## **ELEMENTS OF A PROPOSAL TO IRAN**

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 Iran's nuclear programme. We propose a fresh start in negotiations of a comprehensive agreement with Iran. Such an agreement would be deposited with the 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 NPT obligations, and in this context reaffirm their support for the development by Iran of a civil nuclear energy programme;
- commit to actively support the building of new light water reactors in Iran through international joint projects, in accordance with the IAEA Statute and the NPT;
- agree to suspend discussion of Iran's nuclear programme at the Security Council on resumption of negotiations.

Iran will:

- commit to addressing all the outstanding concerns of the IAEA through full cooperation with the IAEA;
- suspend all enrichment-related and reprocessing activities to be verified by the IAEA, as requested by the IAEA Board of Governors and the UN Security Council, and commit to continue this during these negotiations; and
- resume implementation of the Additional Protocol.

## **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 the NPT, and co-operate 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 the NPT, using state-of-the art technology, including by authorising the transfer of necessary goods and the provision of advanced technology to make its power reactors safe against earthquakes.

- provide co-operation with the management of spent nuclear fuel and radioactive waste through appropriate arrangements.

### **Research & Development in Nuclear Energy**

- provide a substantive package of research and development co-operation, 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, multi-layered 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 the UF<sub>6</sub> produced in Iran.
  - establishment on commercial terms of a buffer stock to hold a reserve of up to 5 years' supply of nuclear fuel dedicated to Iran, with participation and under supervision of the IAEA.
  - development of a standing multilateral mechanism for reliable access to nuclear fuel with the IAEA based on ideas to be considered at the next Board of Governors.

### **Review of Moratorium**

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

- confirmation by the IAEA that all outstanding issues and concerns reported by the IAEA, including those activities which could have a military nuclear dimension, have been resolved; and
- 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 Co-operation**

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

### **International Trade & Investment**

Improving Iran's access to the international economy, markets and capital, through practical support for full integration into international structures, including the WTO, and to create the framework for increased direct investment in Iran and trade with Iran (including a Trade and Economic Cooperation Agreement with EU). Steps would be taken to improve access to key goods and technology.

### **Civil Aviation**

Civil aviation cooperation, including the possible removal of restrictions on US and European manufacturers, from exporting civil aircraft to Iran, thereby widening the prospect of Iran renewing its fleet of civil airlines.

### **Energy Partnership**

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

### **Telecommunications Infrastructure**

Support for the modernisation of Iran's telecommunication infrastructure and advanced internet provision, including by possible removal of relevant US and other export restrictions.

### **High Technology Co-operation**

Co-operation in fields of high technology and other areas to be agreed.

### **Agriculture**

Support for agricultural development in Iran, including possible access to US and European agricultural products, technology and farm equipment.

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# Board of Governors

**GOV/2006/38**

Date: 8 June 2006

Original: English

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**For official use only**

Item 8(g) of the provisional agenda  
(GOV/2006/28)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 28 April 2006, the Director General reported on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2006/27). This report covers developments since April 2006.
2. As a follow-up to the meeting on outstanding verification issues that took place in Tehran on 13 April 2006 (see GOV/2006/27, para. 5), the Director General met in Vienna with the President of the Atomic Energy Organization of Iran on 26 April 2006, and with the Secretary of the Supreme National Security Council of Iran on 18 May 2006, to discuss those issues further. At these meetings, the Director General urged Iran to accelerate its cooperation with the Agency on outstanding verification issues and reiterated the importance of Iran's implementation of the confidence building measures requested by the Board of Governors.
3. On 28 April 2006, the Agency received from the Permanent Mission of Iran a letter dated 27 April 2006 in which it was stated that "Iran is fully prepared to continue granting the Agency's inspection in accordance with the Comprehensive Safeguards provided that the Iran's nuclear dossier will remain, in full, in the framework of the IAEA and under its safeguards, the Islamic Republic of Iran is prepared to resolve the remaining outstanding issues reflected in [the Director General's] report GOV/2006/15 of 27 February 2006, in accordance with the international laws and norms. In this regard, Iran will provide a time table within next three weeks." No such timetable has as yet been received.

### **A. Enrichment Programme**

#### **A.1. Contamination**

4. There has been no further progress on the resolution of the contamination issue (GOV/2006/27, paras 8–9). As indicated in the Director General's previous report, given the difficulty of establishing a definitive conclusion in connection with this long outstanding issue, a full understanding of the scope and chronology of Iran's centrifuge enrichment programme, as well as full implementation of

the Additional Protocol, are necessary for the Agency to be able to provide credible assurances regarding the absence of undeclared nuclear material and activities in Iran.

## **A.2. Acquisition of P-1 and P-2 Centrifuge Technology**

5. The Agency has continued its investigation of the outstanding questions related to Iran's P-1 and P-2 centrifuge programmes (see GOV/2006/27, paras 10–14). However, Iran has not made any new information available to the Agency.

6. Following public statements made by high level officials of Iran that Iran was conducting research on new types of centrifuges, the Agency wrote to Iran on 24 April 2006 seeking clarification of the scope and content of such research. Iran has not yet responded to the Agency's request.

## **B. Uranium Metal**

7. With the assistance of some Member States, the Agency is carrying out investigations on information and documentation which may have been provided to Iran by foreign intermediaries (GOV/2006/27, paras 15–16). To understand the full scope of the offers made by the intermediaries to Iran, it is still necessary for the Agency to have a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres. Iran has yet to provide the Agency with a copy of that document.

## **C. Plutonium Experiments**

8. As indicated in the Director General's previous report to the Board (GOV/2006/27, para. 17), the Agency has been pursuing with Iran information provided by Iran concerning plutonium separation experiments. In a letter dated 17 April 2006, Iran reaffirmed its previous explanations. On 5 May 2006, the Agency responded to that letter, reiterating in detail the inconsistencies between Iran's explanations and the Agency's findings.

9. As agreed during a meeting on 10 April 2006 (GOV/2006/27, para. 17), Iran provided the Agency on 6 June 2006 with further explanations, and a copy of the logbook kept by the researcher responsible for the plutonium experiments. These are currently being assessed.

## **D. Heavy Water Research Reactor**

10. The last visit by Agency inspectors to the Arak site was in April 2006 as part of design information verification of the Iran Nuclear Research Reactor (IR-40), at which time it was noted that construction of the facility was continuing, as reported in GOV/2006/27, para. 18.

## **E. Other Implementation Issues**

11. Iran has declared the production at the Uranium Conversion Facility (UCF) of approximately 118 tonnes of UF<sub>6</sub>, along with some intermediate products, between August 2005 and April 2006. Between 20 and 24 May 2006, the Agency carried out physical inventory verification (PIV) of the nuclear material at UCF. A final assessment of the results will be possible once the analysis of the nuclear material samples taken during the PIV is completed. All UF<sub>6</sub> produced at UCF remains under Agency containment and surveillance measures. On 6 June 2006, a new conversion campaign was begun at UCF.

12. Iran has continued its testing of centrifuges at the Pilot Fuel Enrichment Plant (PFEP). As reported previously by the Director General, a campaign involving the completed 164-machine cascade was conducted in April 2006 (GOV/2006/27, para. 31). The Agency carried out an inspection at PFEP on

2–3 May 2006, in the course of which it took samples to confirm the enrichment levels of the product. Since that time, Iran has fed UF<sub>6</sub> into a single machine, and one machine of the 10-machine cascade, and, on 6 June 2006, started feeding UF<sub>6</sub> into the 164-machine cascade. Iran is continuing its installation work on other 164-machine cascades. The Agency carried out another inspection at PFEP on 6 and 7 June 2006. The enrichment process and product at PFEP, including the feed and withdrawal stations, are covered by Agency containment and surveillance measures. However, Iran has thus far declined to discuss implementation at PFEP of remote monitoring, which is an important verification measure in certain enrichment facilities.

13. On 7 June 2006, the Agency also carried out design information verification at the Fuel Enrichment Plant at Natanz, where it was noted that construction was ongoing.

14. There are no new developments to report with respect to the other implementation issues referred to in the previous report (GOV/2006/27, paras 19 and 20).

## **F. Voluntary Implementation of the Additional Protocol**

15. Since Iran's suspension of the voluntary implementation of its Additional Protocol on 5 February 2006, Iran has not been implementing the provisions of that Protocol.

## **G. Transparency Visits and Discussions**

16. With reference to the environmental samples taken from some equipment at a technical university in January 2006 mentioned in paragraph 25 of GOV/2006/27, analysis of those samples showed a small number of particles of natural and high enriched uranium. On 16 May 2006, Iran responded to the Agency's requests for clarification stating, *inter alia*, that, as mentioned during the visit of inspectors to Tehran on 27 January 2006, the equipment had not been acquired for or used in the field of nuclear activities. Iran indicated that it was, however, investigating how such particles might have been found in the equipment.

17. Iran has not yet responded to the Agency's requests for clarifications concerning, and access to carry out environmental sampling of, other equipment and materials related to the Physics Research Centre (PHRC) (see GOV/2006/27, paras 24–25). Iran has also not provided the Agency access to interview the other former Head of the PHRC. The clarification and access sought by the Agency have taken on added importance in light of the results of the environmental sampling referred to in paragraph 16 above.

18. In paragraph 26 of GOV/2006/27, the Director General reported that, in January 2006, the Agency took environmental samples from some corrosion resistant steel, valves and filters, the results of which were still pending. The results have now been analysed, and show no indication of the presence of particles of nuclear material.

19. The Agency has continued to follow up on information concerning studies related to the Green Salt Project, to high explosives testing and to the design of a missile re-entry vehicle (GOV/2006/27, paras 27–29). Since the last report of the Director General, Iran has not expressed readiness to discuss these topics further.

*Note: The spacing below is an approximate recreation of that used in the original document; capitalization is true to the original.*

## **Islamic Republic of Iran's Response to the Package Presented on June 6, 2006**

Introduction:

The Islamic Republic of Iran has, from the outset, believed in resolution of disputes through constructive engagement and fair negotiations and has consistently insisted on respect for the rights of all parties and on prevalence of the law. The Islamic Republic of Iran considers, therefore, that recognition of rights entails their faithful realization, just as stipulation of responsibility entails commitment.

As such:

Membership in international organizations and conceding to their obligations appropriate rights and rewards to the member. To deny rights and privileges is to defy reasons for membership. No government can assume rights to herself while depriving others of the same. And no government can presume responsibilities for others while relieving herself from the same. The Islamic Republic of Iran is, thus, committed to all its responsibilities, embraces expansion of its relations with all peace loving states in the world, and rejects any aggression and threat that causes instability and war.

The Islamic Republic of Iran, in the same vain (sic), is against production, stockpiling, development and proliferation of nuclear weapons, and considers that production of new generations of these weapons would particularly inhibit constructive efforts towards disarmament, and rejects production of any and all nuclear, biological and chemical weapons.

The Islamic Republic of Iran strongly believes that:

The massive sums spent from the wealth of nations on production, stockpiling, development and proliferation of these weapons would largely contribute to uprooting the causes of insecurity, instability and injustice, replacing them with peace and security, justice, peaceful coexistence and welfare, if applied to serving the people and spread of spirituality and morality, eradication of deprivations in education, health and welfare and development of peaceful science and technology.

The Government of the Islamic Republic of Iran presents its reply to the package offered on June 6, 2006 by Mr. Javier Solana in Tehran following examination by expert groups, on the basis of the above states precepts and in consideration of the initiative of Mr. Kofi Annan, the United Nations Secretary General.

## 1. THE ENGAGEMENT APPROACH:

The Islamic Republic of Iran has declared repeatedly in the past that it sought fair negotiations for resolution of issues. When the package was delivered on June 6<sup>th</sup>, therefore, Iran adopted an engagement approach, welcomed abolition of threatening language and embarked upon serious consideration of the proposal, in the belief that the two sides can arrive at an agreement founded on international law. The Islamic Republic of Iran viewed consideration and negotiation on this proposal as a gateway for peaceful resolution of the nuclear issue along with other matters of mutual concern.

The expert communities commenced their work consequently in each area. Contacts and exchanges between Iran's chief negotiator on the nuclear dossier and his EU counterpart continued, at the same time, steadily giving way to a clear horizon. No precondition or ultimatum was raised by either side during this period.

Ironically, just as the exchanges and the expert review of the proposal were proceeding, the international community witnessed that certain governments, with no justification, prompted a negative campaign, declared a part of the package as prerequisite to any negotiation, and unilaterally broke the negotiations. Confrontational and threatening approach was hence resumed just as the region faced a crisis. With the adoption of the Security Council Resolution, the resolution of the issue through dialogue and understanding was confronted with a serious challenge.

This hasty and unwarranted action at the Security Council impaired the path of negotiation and understanding. As a result, good faith of Iran's interlocutors is in serious doubt. Many in Iran believe now that the package was aimed at stalemating diplomacy and instigating pressure in place of understanding, cooperation and improvement of relations that it claimed. The adverse implications of this major misstep are not easily rectifiable as confidence in the intentions of the other side is in serious jeopardy.

You are well aware that no legal, logical or even political justification exists for involvement and action by the Security Council on this issue. To interpret exercise of the "inalienable rights" of a state as threats against international peace and security is absurd by nature and outrageous as precedence. Particularly as the IAEA Director General Dr. El-Baradai has stated that Iran's nuclear program is no threat to international peace and security.

Action by the Security Council can shake and devastate the foundations and principles of the Non Proliferation Treaty and the Charter of the United Nations. If nonproliferation of nuclear weapons is a common and accepted objective of the international community, denial and restriction of explicit and undeniable rights of states would not only serve that cause, but complicate the issue further in its stead. Defending the right to conduct research, develop and use the peaceful nuclear energy is not solely Iran's responsibility, but indeed the common responsibility for all parties to the NPT.

We reiterate and emphasize that Iran's nuclear program has never diverted from its Peaceful course. The issue has, therefore, never been viewed as a matter of security in our perspective. Preoccupation over security in our region is, on the other hand, is the common concern of all responsible states. Clear signals and statements, however, indicating sincere intentions of the other sides for negotiations and understanding on these concerns are not yet evident.

To resolve the issue at hand in a sustainable manner, there would be no alternative except to recognize and remove the underlying roots and causes that have led the two sides to the current complicated position. When "right versus trust" forms the basic approach in considering the nuclear program of a State, and this serves as pretext for denial, discreteness in the program would naturally ensue; as the other side may never be willing to concede its confidence and trust. Conversely, a legal and fair approach, entailing unimpeded access to peaceful nuclear technology, would prompts transparency and full monitoring.

We have no interest in limiting or suspending inspections of our nuclear facilities and activities. We believe that you also had not, and have not any reason to deprive Iran of peaceful nuclear capabilities and to embark on hostile means. Everything hinges now on your interest, inclination and intention. A quarter of a century of denial and deprivation has lead Iran to pursue it nuclear program on the basis of independence and self-reliance. Years of hardship, tireless effort, and extensive expenses have now borne fruit as Iran has achieved indigenous capabilities in all areas of this industry.

Nuclear fuel is destined as a strategic commodity in the future of world energy. As major European countries continue production of this commodity through heavy investments and large subsidies, Iran too expects that its substantial investments will lead to production so that it would not have to depend on exclusive suppliers in the

Self-reliance, however, does not exclude cooperation and partnership. Iran's nuclear program is entirely open to joint investment, operation, development and production. As the President has declared, the Islamic Republic of Iran is prepared to implement its nuclear program through consortium with other countries.

In view of our logical and firm approach for engagement aimed at resolving the nuclear and other issues of mutual interest on the basis of dialogue and international law, and to prove out good intention once again, we present our response despite the negative and destructive message that Security Council Resolution 1969 carried.

## 2. CONSIDERING THE FACT THAT:

2/1. The Islamic Republic of Iran has planned partial domestic production of its required nuclear fuel for the approved program to supply and produce 20,000 Mega Watts of nuclear power during the next twenty years. Repeated breaches and noncompliance by European countries and the United States of their undertakings under the NPT as well as their contractual obligations in cooperation and transfer of technology, before and after the revolution, their imposed sanctions, their failures to supply, and lack of international guarantees in noninterrupted provision of fuel has left no option except to move to produce part of the required fuel domestically.

2/2. The Islamic Republic of Iran has, relying on its rights stipulated under Article 4 of the NPT made substantial progress in nuclear technology. This includes facilities for production of yellow cake, UCF production at industrial level, Uranium enrichment facilities for partial supply of nuclear power plants, required fuel, heavy water production complex heavy water research reactor developments and production design of a 360 MW light water reactor by local experts and in line with international regulations. The Islamic Republic of Iran is, today, considered as a member of the nuclear fuel producing countries and this is an undeniable fact.

2/3. The Islamic Republic of Iran has, from the outset, stressed the need for observing the balance between its rights and its responsibilities under the NPT. Development of its peaceful nuclear program is based on its specific and undeniable rights under the NPT. It can not accept deprivation from its legal rights in development and use of peaceful nuclear energy including the fuel cycle, and continuing research and development of enrichment process as underscored in the NPT and IAEA safeguards.

2/4. The Islamic Republic of Iran has, from the outset, been committed to its obligations under the NPT in development of its nuclear program and all its actions and activities have, to date, been conducted with necessary and sufficient transparency in accordance with NPT obligations and under IAEA monitoring.

2/5. The Islamic Republic of Iran believes that the June 6, 2006 proposal has elements which may be useful for a constructive approach. Most important among them:

First-Renewed emphasis on Iran's inalienable rights to develop its nuclear program for peaceful purposes without discrimination in accordance with the NPT;

Second- Readiness for negotiations as a new beginning to reach a "comprehensive agreement" with Iran.

### 3. ON THIS BASIS THE ISLAMIC REPUBLIC OF IRAN FOLLOWING EXPERT REVIEWS DECLARES THAT:

3/1. Considers the proposal of 6 June 2006 as containing useful foundations and capacities for comprehensive and long-term cooperation between the two sides. The Islamic Republic of Iran has, however, questions and ambiguities regarding guarantees of its rights. Through constructive negotiations, the grounds for overall agreement should be prepared.

3/2. Is prepared for removing concerns of the two sides through negotiations and receiving clarifications on the nature, extent, approach, level, duration and depth of issues in the offer such as real and practical cooperation in development of Iran's peaceful nuclear program including light and heavy water reactors, and exercise of Iran's right to achieve nuclear energy inclusive of the fuel cycle and continuation of research and development in uranium enrichment.

3/3 Is ready for "long term cooperation" in security, economic and political and energy areas in order to achieve "sustainable security in the region" and "long term energy security".

3/4 As always considers that the resolution of all issues may be possible through negotiation and engagement.

4. IN VIEW OF THE ISLAMIC REPUBLIC OF IRAN, THE UNDERLYING IDEA AND PRINCIPLE IN THE OFFERED PACKAGE, A “RENEWED PROCESS OF NEGOTIATIONS TO ACHIEVE COMPREHENSIVE RESULTS AND AGREEMENTS” AS SUBSTITUTE TO ALL OTHER MEANS TO RESOLVE THE NUCLEAR ISSUE, CONTAINS THE FOLLOWING:

- To help peaceful and rapid resolution of the nuclear dispute in the framework of the IAEA and NPT provisions through extension of understanding, bridging the positions, and settling the differences between different sides.
- To establish necessary tenets and foundations for confidence building and mutual cooperation in the nuclear field.
- To improve and expand relations and mutual cooperation between Iran and other parties in all areas on the basis of mutual respect and trust.
- To promote peace and security in the region and scientific, technological and economic progress in Iran.

The Islamic Republic of Iran accepts the core idea of the proposal. As it has always stated, arriving at an understanding in a process of comprehensive negotiation, to resolve the differences and to form the grounds and the basis of expansion of comprehensive and reciprocal relations and cooperation as the only way to approach these issues. We welcome this approach.

At the same time, certain points need to be expressed and stressed:

4/1. The negotiation process, as the means to reach an agreement and settle the issue, should be instituted on an initial basis of confidence. This implies that, in areas of significance, a level of assurance, including particularly in the effectiveness of negotiations, possibility of arriving at an effective outcome within a specific and reasonable time, maintaining stability during the process and avoiding disruptive and destructive action from within and without, and prevalence of a fair, balanced, reasonable and non-coercive environment should be established prior to the negotiations.

This requires discussion and understanding. The Proposal is devoid of due attention to this necessity.

4/2. Clear evidence and experience gives reason to Iran to remain seriously skeptical towards sincerity of at least some members of the 5+1 in their declared intention to establish comprehensive relations and cooperative exchanges. Iran believes, therefore, that these governments should come forward with assurances, commitments and indications that demonstrate revision in past behavior and absence

of intentions to contain Iran or seek a pretext for hostile actions in advance of the negotiations.

In view of the Islamic Republic of Iran, recent move by the 5+1 to re-open the door to the Security Council and impose a Resolution against Iran, is in clear breach of the proclaimed good faith of this group in pursuing the course of negotiation and understanding to resolve the nuclear issue. This would impede seriously the successful outcome of the negotiation process, unless all its implications are removed and nullified through a clear procedure.

4/3. In view of the Islamic Republic of Iran, the negotiations will be constructive if:

- It is founded on appropriate rules and tenets;
- It is based on a clear platform acceptable to the international community;
- The NPT and the IAEA safeguards would form the essential basis of applicable law;
- That ending denial and deprivations against transparency and monitoring would form the basis;
- Would proceed on an appropriate format;
- It allows balanced and reasonable presentations and consideration of concerns of all sides and offers the potential for each side to achieve their interest and security proportionately;
- It would have an appropriate composition with participation of those with real interests;
- The interlocutors who would guarantee the commitments resulting from the negotiations be identified;
- It prescribes whether the final outcome would be taken individually or jointly and severally by the parties.

In addition, extent and limitations on the authority of each negotiator should be defined and declared formally, as the significance and depth of the issue at hand calls for. It must be clear that the negotiations are entrusted with sufficient authority for bargaining and give and take on sensitive and disputed issues. This implies that the negotiators should be authorized to negotiate and decide on all issues at least on an ad-referendum basis.

Beyond all this, the proposal lacks any reference to irreversible and irrevocable guarantees which should be attached to the undertakings. Such guarantees are particularly essential on access to advanced nuclear technology and equipment, erection and commissioning of nuclear power reactors, nuclear fuel supply, and transfer of know-how and technology. For Iran, it should become clear that the undertakings of our counterparts would become permanent, with no right or possibility to their termination or limitation, in the context of export controls, NSG, domestic laws and regulations, and the procedures of the IAEA and the United Nations.

As the package has not dealt with these essentials, the Islamic Republic of Iran has prepared its own specific suggestions ready for negotiation and agreement.

The package also lacks appropriate consideration of “negotiation itself”, which is central to the proposal. Ambiguities in this regard are abundant.

The Islamic Republic of Iran is prepared, as a first step, to fully cooperate in agreeing on the scope and elements of the negotiations. We suggest that our first goal should be agreement on terms of reference, a set of guidelines or a joint statement which would serve to give clear direction to the negotiations. This would underscore the firm and common will of all parties for a just and treaty-based settlement of the nuclear issue through well-defined negotiations.

#### 5. THE PACKAGE HAS CONSIDERED TWO MAIN PROCESSES TO RESOLVE THE NUCLEAR ISSUE:

FIRST: The process of Iran’s interaction and collaboration with the IAEA;

SECOND: The process of negotiations between Iran and its counterparts.

The proposal is ambiguous on the purpose and procedures on the negotiations and the expectations driven from it. It also lacks clarity on the relationship and link between the two processes.

In the view of the Islamic Republic of Iran, the two processes are logically intertwined while each has its own individual merit. The negotiations should normally serve to support and facilitate the process of Iran’s interaction with the IAEA, which is the main avenue to resolve the issue. The core and principle issue in the package is Iran’s nuclear activities and the way to resolve deference in this respect. Yet the proposal is regrettably quite ambivalent on this central point and does not specify how and in which manner this can be dealt with. It is of course clear that the issue would primarily be within the realm of the IAEA responsibilities and the Agency is the focal point. But other issues remain which are outside this realm and should be the attempted focus of the negotiations.

Based on elements in the package, the nuclear issue is three pronged:

First: Rights and responsibilities of the parties toward each other and the actions they should undertake in accordance with the NPT and the IAEA;

Second: Transparency, normalization and conclusion of the issue at the Agency;

Third: Confidence building by both sides in all areas including security issues.

The Islamic Republic of Iran:

First: Accepts to deal with the above issues as core issues, along with others;

Second: Agrees that the above three issues are inter-linked and for an integrated whole;

Third: Stresses that the issues are reciprocal and mutual and each side should endeavor through common efforts to move the process forward, bearing in mind that maintaining a balance in actions and expectations of each side is essential;

Fourth: Reiterates that resolution of the issues and agreements would be possible if and when all sides limit their expectations and actions to the framework of internationally accepted norms, in particular the NPT. Any expectation and action beyond the above framework would solely be considered through persuasion, understanding and on a voluntary basis.

## 6. ON THE FIRST AXIS

Iran's firm position is that the process of negotiations and the process of Iran's interaction with the Agency should be based on the three fundamental principles emanating from the NPT by all parties:

First The Islamic Republic of Iran has the right to pursue its intended peaceful nuclear Program, including all its activities on the fuel cycle with peaceful purposes, within the framework of NPT and under Agency safeguards.

Second: The Islamic Republic of Iran, as an NPT party and an IAEA member, is obligated to comply with all its commitments under its bilateral agreement with the Agency and to prepare conducive conditions for the IAEA to perform its responsibilities vis a vis Iran's activities.

Third: As an IAEA member, Iran has the right to receive active support in areas of science, technology, investment and trade from developed countries in the nuclear field, in accordance with the NPT provisions and its regulations. Conversely, all interlocutors with capabilities in nuclear technology are obligated to remove all impediments in peaceful nuclear cooperation with Iran in implementation of their commitments.

The Islamic Republic of Iran is prepared to negotiate on all aspects of the above three principles and has specific relevant suggestions for incorporation in the agenda.

The proposed package contains deficiencies and ambiguities in consideration of these principles. Specifically, where Iran's right to peaceful nuclear program and activity and access to nuclear technology is recognized, it is mute on its scope and exercise.

Since the enrichment and nuclear fuel cycle for peaceful use is one issue under consideration, the producers of the proposed package should clarify whether they recognize the NPT as the basis for determining the scope of this right. And whether, in their view, fuel cycle activities and in particular enrichment for peaceful use is within that scope or not.

The other point in mind is the exercise of these rights and implementation of nuclear program based on the rights stipulated in the NPT. The proposed package is vague on whether recognition of Iran's right is theoretical or empirical.

Furthermore, the proposed package is vague on nuclear cooperation, transfer of nuclear technology, construction of nuclear power plants in Iran and guaranteed supply of required fuel. References are also made, in this response, which imply the intention to restrict nuclear cooperation to specific areas, and this adds to the ambiguity.

In Iran's view, the issue of mutual cooperation in nuclear areas bears significance and can form an effective part of negotiations. These collaborations are particularly important in paving the grounds for mutual confidence. Regrettably, Iran's past experience with some members of 5+1 is not positive. Creating confidence on the firmness, effectiveness and unlimited extent of these collaborations within the scope of the NPT and peaceful activities, demands more detailed negotiations and agreements.

In this framework, I.R. Iran also insists that the other parties' commitment to NPT be considered as one of the basic principles for the negotiations. It is self-evident that any decision to be party to an international treaty is based on presumption that the other parties abide by its rules.

Moreover, all members have equal rights and responsibilities—according to the IAEA rules—towards the other members' abidance. That is also logical that one member can only expect abidance from others, commensurate to his own.

7) The proposers of the package, having considered some commitments and measures to be undertaken by both sides before the start of negotiations, “to create the right conditions for the negotiations”. Although some of these considerations can be taken as the general rules for the negotiation process, however they are inadequate and indistinct, and need to be completed and clarified by some additional considerations, and we will deal with them in following sections.

The remaining issue is **suspension of Iran's dossier in the security council during the negotiation period by the other party, and suspension of enrichment activities by Iran through negotiations.** I.R. Iran essentially agrees with consideration of some principles and conditions for further assurances of productive negotiations and considers that as a correct step.

At the meantime, the following points have to be emphasized:

7-1) If negotiation is to be considered as a way for mutual understanding and concord, then it is intrinsically in contradiction with tabling the issue at the security council. Therefore cessation of the

security council involvement and any other gesture that is inconsistent with the principle of “resolution through negotiation” is self-evident.

7-2) The other party not only violated this principle by engaging the security council and passing a resolution, but impaired the basis for the negotiating process. In fact, the veracity of those who proposed the package, in their intention and action became questionable, unless they propose a certain method to nullify its effect.

7-3) I.R. Iran can not accept equating the P5+1 with the security council as openly stated through the package. The proper way would be that the UN security council, through the due course, takes the Iran’s nuclear dossier off its agenda, and resolves that the legal IAEA ways and means, supported by a fair form of negotiation process, is the logical approach to the issue.

7-4) I.R. Iran fundamentally rejects the use of the security council resolution as a pressure tool to push forward the P5+1 proposal, and considers this practice as distortion and negation of the initial intent, and would not concede to it. Any progress in this course, would only be possible by separation of these two issues, namely disengagement of any negotiations from unjustified resolution of the security council.

7-5) It is not clear for I.R. Iran that how the suspension of Iran’s nuclear activities would help “to create the right conditions for negotiations”. But it is clear that the other party’s insistence on this issue, reminding some parties’ towards Iran’s weakening and constraint – specially bearing in mind the records of past negotiations with some and past hostilities of some others – would be disturbing for “the right conditions for negotiations”.

Moreover, for further assurance, it is possible that the IAEA’s inspections and verification reports, during the negotiation period, can be scheduled in a new format and framework that all parties are able to have a clear

prospect for the future progresses. Besides, limitation of the negotiation period, can minimize any likelihood of specific technical developments. In any case, notwithstanding that setting unilateral preconditions for a process that is presumed to proceed through mutual understanding and consent does not sound to be logical; however the Islamic Republic of Iran does not intend to reject the whole issue unilaterally, and is ready to provide an opportunity for both sides to share their viewpoints on this issue and try to convince each other and reach a mutual understanding.

7-6) To avoid any suspicion on I.R. Iran's intention or accusation of deliberate idling, etc. the I.R. Iran declares its specific time-frame for this issue of "creating the right conditions for negotiations" as follows:

1. I.R. Iran accepts that "taking bilateral voluntary steps" that show the goodwill on both sides can help create the right atmosphere and course for the negotiation to make it more effective.

2. In this framework, I.R. Iran is ready to discuss this issue in the course of negotiations to comprehend each others reasons and justifications.

3. This step will be conditional on simultaneous steps by other party to show that it does not intend to deprive or limit I.R. Iran. These steps specifically include the following:

- Termination of Iran's dossier in the security council and returning it to the IAEA
- Normalization of Iran's nuclear case at the IAEA
- The other party commits itself not to pursue the limitation of Iran's peaceful activities as the result of the negotiations, but to aim for achieving the mutually agreed methods to provide more assurances on the peaceful nature and non-diversion of these activities.

- All members of the P5+1 accept as a show of goodwill to abandon all restrictions that they practice beyond the legal international norms in different areas.

8) Regarding the second theme, **the issue of “transparency”**, I.R. Iran believes that the negotiation process and the process of interactions between Iran and the IAEA can be based upon acceptance of these principles by all concerned parties:

a) The negotiating parties are entitled to be informed of non-diversion in Iran’s peaceful nuclear activities within the NPT and IAEA statute framework as much as possible with a certain timetable.

b) The study and assessment of this issue is to be undertaken by the IAEA in the framework of NPT rules and regulations. IAEA’s approach regarding this issue must be based on technical and in line and legal standards (according to the IAEA statute) with the spirit of cooperation and mutual respect, free from any prolonging of the process, and away from any political inclination or influence, and based on the principle of innocence.

c) I.R. Iran would facilitate the necessary working conditions for IAEA’s inspections for clarification of the ambiguities, would provide the utmost cooperation for expedition of its work, and if deemed necessary, would consider voluntary steps towards implementation of the Additional Protocol, given the provision of the legal conditions. Points mentioned in the proposed package, regarding the full cooperation of Iran with the IAEA is related to this theme.

I.R. Iran is ready to negotiate on these issues in the framework of the aforementioned principles, and actively participate towards mutual understanding and concord.

I.R. underlines that the cooperation with the IAEA, requires drawing up a comprehensive and logical framework for the whole work and related procedures, which is agreed upon by Iran and the IAEA. This framework should comprise certain significant aspects, including:

- To be bounded in the framework of technical and legal standards and not to be influenced by political motives and pressures, and not by problematic inclination and intelligent demands of the parties outside the IAEA.
- Setting the assessment criteria for the IAEA in a normal and non-discriminatory manner, based on the principle of innocence. In other words, inability to find any affirmative indications after due course or ordinary technical and legal examinations, is to be considered nonexistence of undeclared nuclear activities or materials.
- Suspension of discussion on Iran's nuclear case in the IAEA board of governors until the presentations of the director general's final report, according to the declared time-table.

I.R. Iran will be ready to implement, voluntarily, the Additional Protocol, with provision of legal conditions, if the above mentioned requirements are met, Iran's case is only pursued in the IAEA, and any intervention of the security council or other entities are ceased.

The negotiation process can be helpful towards achievement of the aforementioned framework, and more importantly securing the mutual confidence of both sides (Iran and IAEA) tend to resolve the issues and remove the ambiguities, and not to complicate the situation.

9) Regarding the third theme, **the issue of mutual confidence building**, I.R. Iran believes that:

9-1) At present time, the majority of the world community, from the security point of view, have confidence in I.R. Iran's nuclear plans and intentions, or at least have no particular security worries about them.

9-2) It is necessary to have a clear definition for the term "international confidence in the exclusively peaceful nature of Iran's civil nuclear programme", since this is a very general and vague term. It should be clarified that what the international confidence building standards are. And who are those who do the assessment? What are the criteria and legal basis for the establishment of the international confidence on the exclusively peaceful nature of Iran's civil nuclear programme? Are there any criteria beyond the current international rules and treaties in mind? In any case, the Islamic Republic of Iran, sincerely welcomes "to develop relations and cooperation based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's civil nuclear programme". However, it is necessary for reassurance, that these two principles be underlined, and the inclusion of other issues as limiting conditions to be avoided.

9-3) Apart from the above-mentioned point, confidence building in the exclusively peaceful nature of Iran's civil nuclear programme, meaning acceptable assurance of non-diversion of those activities towards military purposes and use, comprise of two aspects of present and future. That is, the assurance that at the present time, that there are no undeclared

nuclear activities and materials, and all declared nuclear activities and materials have a peaceful nature, and are under IAEA supervisions and control. Additionally in the foreseeable future, this situation will continue. The legal supervision of the Agency in its examination of different aspects in Iran's nuclear activities, and its continued regular examinations, are sufficient for the present aspect of confidence building. In I.R. Iran's view, what was mentioned in part 8 regarding transparency these, suffices for this purpose. That is, so long as the Agency is active in examining Iran's nuclear activities, and I.R. Iran is cooperating with it, and there has been no indication for existence of any undeclared nuclear activities or materials, there should be no reason for distrust.

Regarding the assurances for the future, that I.R. Iran would not use its nuclear capability for other than peaceful applications, it is an issue which may apply to many other cases and to many other countries. This has not been addressed in international treaties and legal rules, and naturally should not be a source of concern. In addition, possession of nuclear weapons are not considered as part of Iran' national security doctrine. Notwithstanding, the **Islamic Republic of Iran is ready** to illustrate its goodwill if it received responsible and logical behavior from the other party, **to guarantee in an appropriate manner, that it would not abandon its membership in IAEA and NPT**, and through this way, commits itself even to the future aspect of confidence building.

9-4) However, all the afore-mentioned points in 9-3 is conditional to the fact that simultaneous mutual confidence-building (for Iran) is being done on security matters. In I.R. Iran's view, this comprises of three important matters, as follows:

- A) the other party's commitment to seriously follow up the fulfillment of "the nuclear free zone in the Middle East",

particularly the commitment to disarm the Zionist regime from weapons of mass destruction (WMD) and in particular nuclear arms.

- **B)** The other party's commitment to convince the countries of the region (middle East) who are not yet signatories to NPT, or are not yet implementing the Additional protocol, to accept NPT membership, and to implement the Additional Protocol.
- **C)** The commitment and guarantee of the negotiating partners to prevent and protest all hostile and restrictive acts against I.R. Iran including any scientific, technical, political, economic and commercial embargo and any kind of military aggression or threat.

The negotiation process, can help to reach a mutual understanding on ways of balancing those two aspects (9-3 and 9-4), and action plans to be designed and implemented.

10) Part of the proposed package is related to the areas of political and economic cooperation, which is one of the vague and ambiguous aspects of this package. The main idea is not clear here. I.R. Iran believes that the approach in this section is in contradiction with what is expressed at the outset of the package as "the goal". If the goal is "to develop relations and cooperation ...based on mutual respect" and mutual confidence, then that requires change in policies.

To say that some applied restrictions on Iran are to be removed, implies to implicit concepts: One is that there has been a policy of using scientific, technological, commercial, etc. restrictions to put pressure and embargo on Iran, and the other is that in the best scenario yet, this policy is to be continued in other areas. This is in clear contradiction with the

central concept of this proposal, proposing a “fresh start” for “a comprehensive” and “long term agreement with Iran.”

If we want to give the negotiations a chance for success, the primary principle is that all parties set their actions and expectations according to the ordinary international rules and arrangements. The question is what are the international rules and orders for these restrictions and embargoes? What is the purpose in their continuation? And why there should be additional demands for their removal?

Therefore, as mentioned before, it is necessary to see a change in policies, changing the policy of intimidation, pressure, embargo and restriction against Iran.

Fortunately, Iran has active and extensive relations with China and Russia. There are also trade and diplomatic relations with major European countries which has experienced some restrictions in some cases. The available data indicates that the majority of the P5+1 do not have inclinations for political use of trade and economic means, and in their general policies, there is no priority set for deprivation or restriction policies against Iran. Although some states, not only unacceptably exploit restrictive policies against Iran, but also abuse their technical and trade leverage to force other governments and third country companies to participate in these anti-trade practices despite their own national policies. Therefore at least the main part of the proposed issue in this section is not essentially a case between Iran and the other party, but it is a case for the other party to settle amongst themselves.

I.R. Iran suggests that the western parties who want to participate in the negotiation team, announce on behalf of their own and other European countries, to set aside the policy of intimidation, pressure and sanctions against Iran, and to pursue normalization and active relations and cooperation in all fields and to provide necessary guarantees for this

Purpose. In that case, some of more important issues, securing long-term interests of both sides on economic and political cooperation, can be added to this section's list.

11) **The I.R. Iran is ready for a comprehensive and long-term cooperation agreement to achieve “sustainable development and security in the region”**, based on fair terms and conditions, attending to the rights of all countries, and would contribute to the highest extent possible to participate in effective security arrangements in an all-inclusive model, with all its potential as a responsible state, an active member of the international community, having an effective regional role.

On this basis, I.R. Iran is ready to have an active role in a cooperation arrangement for **“sustainable energy security”** to have extensive cooperation and partnership with the European countries and other countries of the region.

It should be mentioned that there are other ambiguities and questions in the proposed package of June 6, 2006 that can be clarified in the due course of negotiations.

In conclusion, it needs to be emphasized that despite the contradictory behavior of some countries in proposing the package, and pursuing the unjustifiable act of passing the recent security council resolution, the Islamic Republic of Iran, responding to the proposed package, with its goodwill and intention to provide a reasonable breakthrough, has tried to lay the groundwork for resolving Iran's nuclear case through a constructive path for negotiations.

However, if some of the parties with adventurous inclinations, react to Iran's goodwill with the security council instrument, in that case, the

positions expressed in this response would be void and the Islamic Republic would choose a different course of action.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"The Council expresses its deep disappointment that Iran has not responded positively to the offer of negotiations put to it on 6 June by the High Representative following agreement between France, Germany, UK, China, Russia and the US, and with the full support of the European Union.

These are far-reaching proposals for a long-term agreement which would provide Iran with everything it needs to develop a modern civil nuclear power programme. They would open the way to a new relationship with Iran based on mutual respect and expanded cooperation in political and economic fields, while meeting international concerns about the peaceful nature of Iran's nuclear programme.

The Council recalls that the IAEA Board of Governors and the UN Security Council have repeatedly called on Iran to suspend all uranium enrichment-related and reprocessing activities. The proposals put to Iran are an attempt to find a way for Iran to fulfil these requirements without further action in the UN Security Council.

Since Iran has given no indication of willingness to engage seriously on the basis of the proposals the international community will have to return to the UN Security Council to make the decisions of the IAEA Board of Governors mandatory on Iran. Should Iran not comply, we will work for the adoption of measures under Article 41 of Chapter VII of the UN Charter.

We remain committed to a diplomatic solution, and the ideas put to Iran remain on the table. Should Iran decide to suspend all its enrichment-related activities and to implement the Additional Protocol, the way to negotiation would be reopened and action in the Security Council could be suspended.

The Council reiterates its commitment to exercise the utmost vigilance in the application of existing export control mechanisms for sensitive material so as to prevent the transfer of goods, technology and materials that might be used, directly or indirectly, in fissile material programmes and missile programmes.

The EU remains committed to building a long-term relationship with Iran based on confidence and cooperation. Such a development will depend on progress on all issues of concern which include terrorism, Iran's approach to the Middle East peace process and regional issues.

Furthermore, the Council regrets the deterioration of the situation of human rights in Iran. Recalling its statement of 15 May 2006, the Council would like to draw particular attention to continuing violations of the freedom of expression and association, illustrated by the violent disruption of a peaceful demonstration on 12 June that advocated an end to legal discrimination against women. The Council is concerned at the situation of labour activists in Iran and the detention of Mr Mansour Ossanlou.

The Council calls on Iran to ensure implementation of its human-rights obligations including in the case of detention of Dr. Ramin Jahanbegloo. The Council deplores the lack of progress in this case and urges the Iranian authorities to ensure access to legal counsel for all detainees without delay."

**Security Council**Distr.: General  
31 July 2006**Resolution 1696 (2006)****Adopted by the Security Council at its 5500th meeting, on  
31 July 2006**

*The Security Council,*

*Recalling* the Statement of its President, S/PRST/2006/15, of 29 March 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,

*Noting* with serious concern 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,

*Noting* with serious concern that the IAEA Director General's report of 27 February 2006 (GOV/2006/15) lists a number of outstanding 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,

*Noting* with serious concern 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 report of 8 June 2006 (GOV/2006/38) Iran has not taken the steps required of it by the IAEA Board of Governors, reiterated by the Council in its statement of 29 March and which are essential to build confidence, and in particular Iran's decision to resume enrichment-related activities, including research and development, its recent expansion of and announcements about such activities, and its continued suspension of cooperation with the IAEA under the Additional Protocol,



*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 non-proliferation elsewhere,

*Welcoming* the statement by the Foreign Minister of France, Philippe Douste-Blazy, on behalf of the Foreign Ministers of China, France, Germany, the Russian Federation, the United Kingdom, the United States and the High Representative of the European Union, in Paris on 12 July 2006 (S/2006/573),

*Concerned* by the proliferation risks presented by the Iranian nuclear programme, *mindful* of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security, and *being determined* to prevent an aggravation of the situation,

*Acting* under Article 40 of Chapter VII of the Charter of the United Nations in order to make mandatory the suspension required by the IAEA,

1. *Calls upon* Iran without further delay to 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. *Demands*, in this context, that Iran shall suspend all enrichment-related and reprocessing activities, including research and development, to be verified by the IAEA;

3. *Expresses* the conviction that such suspension 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;

4. *Endorses*, in this regard, the proposals of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the support of the European Union's High Representative, for a long-term comprehensive arrangement 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 (S/2006/521);

5. *Calls upon* all States, in accordance with their national legal authorities and legislation and consistent with international law, to exercise vigilance and prevent the transfer of any items, materials, goods and technology that could contribute to Iran's enrichment-related and reprocessing activities and ballistic missile programmes;

6. *Expresses* its determination to reinforce the authority of the IAEA process, 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 Agency, *underlines* the necessity of the IAEA continuing its work to clarify all outstanding issues relating to Iran's nuclear programme, and *calls upon* Iran to act in accordance with the provisions of the

Additional Protocol and to implement without delay all transparency measures as the IAEA may request in support of its ongoing investigations;

7. *Requests* by 31 August a report from the Director General of the IAEA primarily 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 above provisions of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;

8. *Expresses* its intention, in the event that Iran has not by that date complied with this resolution, then to adopt 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;

9. *Confirms* that such additional measures will not be necessary in the event that Iran complies with this resolution;

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

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# Board of Governors

**GOV/2006/53**  
Date: 31 August 2006

Original: English

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**For official use only**

Item 8(c) of the provisional agenda  
(GOV/2006/50)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 8 June 2006, the Director General reported on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2006/38). This report covers developments since that date.
2. On 31 July 2006, the United Nations Security Council adopted resolution 1696 (2006), which, inter alia,
  - called upon Iran without further delay to take the steps required by the 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;
  - demanded, in this context, that Iran shall suspend all enrichment-related and reprocessing activities, including research and development, to be verified by the Agency;
  - underlined the necessity of the Agency continuing its work to clarify all outstanding issues relating to Iran's nuclear programme;
  - called upon Iran to act in accordance with the provisions of the Additional Protocol and to implement without delay all transparency measures as the Agency may request in support of its ongoing investigations; and
  - requested by 31 August a report from the Director General primarily 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 Board and with the above provisions of this resolution, to the Board of Governors and in parallel to the Security Council for its consideration.
3. This report is being submitted to the Board and in parallel to the Security Council.

## **A. Suspension of Enrichment Related Activities**

4. Iran has continued the testing of P-1 centrifuges in the Pilot Fuel Enrichment Plant (PFEP). Since 6 June 2006, centrifuges in the single machine test stand and in the 10-machine and 20-machine cascades have been run mostly under vacuum, but with the feeding of UF<sub>6</sub> into single machines of the 20-machine cascade for short periods of time. Between 6 and 8 June 2006, the 164-machine cascade was also tested with UF<sub>6</sub>. Further testing of the 164-machine cascade with UF<sub>6</sub> was carried out between 23 June and 8 July 2006. During these tests, a total of approximately 6 kg of UF<sub>6</sub> was fed into the machines and enriched to various levels of U-235. The feeding of UF<sub>6</sub> into the 164-machine cascade was resumed on 24 August 2006.

5. In June 2006, Iran stated that it had achieved enrichment levels of 5% U-235 in a test run in the 164-machine cascade. Iran provided measurement results from the on-line mass spectrometer to substantiate this statement. The Agency collected environmental samples, the results of which are still pending. Iran has refused the Agency access to operating records concerning product and tail assays which the Agency requires to complete its auditing activities. However, on 30 August 2006, Iran provided the Agency with some information about product assays, which the Agency is currently assessing.

6. The installation of a second 164-machine cascade is proceeding. Iran has informed the Agency that it expects to be able to run the cascade under vacuum in September 2006. In August 2006, the Agency installed additional cameras to monitor this cascade. The Agency has also proposed the implementation of remote monitoring to compensate for the fact that measures normally used for verification at operational enrichment facilities (e.g. limited frequency unannounced access) are not feasible at PFEP. However, Iran continues to decline to discuss the implementation of remote monitoring at PFEP.

7. On 26 July 2006, design information verification (DIV) was carried out at the Fuel Enrichment Plant (FEP) at Natanz, where construction was ongoing. In the course of the inspectors' visit to Iran between 11 and 16 August 2006, Iran declined to provide the Agency with access to carry out DIV at FEP, stating that the frequency of DIV activities was, in its view, too high and that the Agency had performed 3 DIVs there in 2003, 3 DIVs in 2004, 15 DIVs in 2005 and 12 DIVs as of August 2006. Iran also expressed concern about the frequency of DIV at PFEP, the Uranium Conversion Facility (UCF) and the Iran Nuclear Research Reactor (IR-40). The Agency explained that DIV was an ongoing and continuing process, and that it is carried out during all construction, commissioning, operation and subsequent phases of a facility to establish the safeguards measures to be implemented and to ensure that there are no undeclared design features which would permit the diversion of nuclear material. Between December 2003 and February 2006, the Agency, with the consent of Iran, also took advantage of DIV activities to monitor Iran's suspension of enrichment activities. The Agency explained that DIV also enables the Director General to fulfil the reporting requirements set by the Board of Governors and the Security Council. Between 26 and 30 August 2006, Iran allowed the Agency access to carry out DIV at FEP and at the other facilities mentioned above.

## **B. Suspension of Reprocessing Activities**

8. The Agency has been monitoring the use of hot cells at the Tehran Research Reactor and the Molybdenum, Iodine and Xenon Radioisotope Production Facility, and the construction of hot cells at the IR-40, through inspections, DIV and satellite imagery. There are no indications of ongoing reprocessing activities in Iran.

## **C. Heavy Water Research Reactor**

9. On 12 July and 30 August 2006, the Agency carried out DIV at the IR-40 reactor at Arak. Construction of the facility is continuing.

## **D. Outstanding Issues**

10. As indicated in the Director General's report of April 2006 (GOV/2006/27, para. 6), on 27 April 2006, the Agency received from Iran a letter in which it was stated that "Iran is fully prepared to continue granting the Agency's inspection in accordance with the Comprehensive Safeguards provided that the Iran's nuclear dossier will remain, in full, in the framework of the Agency and under its safeguards, the Islamic Republic of Iran is prepared to resolve the remaining outstanding issues reflected in [the Director General's] report GOV/2006/15 of 27 February 2006, in accordance with the international laws and norms. In this regard, Iran will provide a time table within next three weeks." No such timetable has as yet been received.

### **D.1. Enrichment Programme**

#### **D.1.1. Contamination**

11. There has been no further progress on the resolution of the contamination issue (GOV/2006/27, paras 8–9). As mentioned in the Director General's last report (GOV/2006/38, para. 4), given the difficulty of establishing a definitive conclusion in connection with this long outstanding issue, a full understanding of the scope and chronology of Iran's centrifuge enrichment programme, as well as full implementation of the Additional Protocol, are necessary for the Agency to be able to provide credible assurances regarding the absence of undeclared nuclear material and activities in Iran. These are also essential for clarification of the source of the uranium particle contamination found at the technical university, as discussed in paragraph 24 below.

#### **D.1.2. Acquisition of P-1 and P-2 Centrifuge Technology**

12. The Agency has continued its investigation of the outstanding questions related to Iran's P-1 and P-2 centrifuge programmes (GOV/2006/27, paras 10–14). However, Iran has not made any new information available to the Agency.

13. As indicated in the Director General's last report, following public statements made by high level Iranian officials that Iran was conducting research on new types of centrifuges, the Agency wrote to Iran on 24 April 2006 seeking clarification of the scope and content of such research (GOV/2006/38, para. 6). On 16 June 2006, the Agency received from Iran a letter stating, inter alia, that Iran was studying different types of centrifuge machines, and that this was "an ongoing and progressing R&D activity without using nuclear materials."

### **D.2. Uranium Metal**

14. The Agency is carrying out investigations on information and documentation which may have been provided to Iran by foreign intermediaries (GOV/2006/27, paras 15–16; GOV/2006/38, para. 7). To understand the full scope of the offers made by the intermediaries to Iran, it is still necessary for the Agency to have a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (first mentioned in GOV/2005/87, para. 6). Iran continued to decline the Agency's request to have a copy of the document, but had agreed to allow the Agency to review the document, to take notes from it and to keep it under seal in Iran. In the course of a visit to Iran

in mid-August 2006, Agency inspectors continued their examination of the document. However, Iran informed the inspectors that the taking of notes would not be permitted, and the notes which had been taken thus far by the inspectors during that visit had to be destroyed. The document remains under seal in Iran.

### **D.3. Plutonium Experiments**

15. The Agency has continued to seek clarification from Iran about its plutonium separation experiments (GOV/2006/38, paras 8–9). Since the Director General's last report, the Agency has been able to evaluate the explanations provided by Iran in June and examine the copy of the notebook kept by the researcher responsible for the plutonium experiments, and has concluded that they did not provide sufficient clarification of the outstanding issues. In an effort to acquire further information about the irradiation parameters, the Agency also met, on 11 July 2006, with a reactor operator and the researcher, who also did not provide the data necessary to clarify the issues. Iran has stated that no other relevant information is available.

16. In a letter dated 10 August 2006, the Agency informed Iran that, given the information received from Iran to date, the Agency would not be able to resolve the outstanding inconsistencies unless additional information were made available by Iran.

17. The depleted uranium targets which had been irradiated in the course of the plutonium experiments are stored in containers located at the Karaj Waste Storage Facility (GOV/2005/67, para. 24). On 8 August 2005, the Agency took environmental samples from one of those containers. The results from their analysis, recently finalized by the Agency, indicate the presence of high enriched uranium particles. On 15 August 2006, Iran was requested to provide information about the source of the contamination and the past use of the containers.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

18. Since the Director General's last report to the Board, the Agency has completed its assessment of the results of the physical inventory verification (PIV) of nuclear material at UCF carried out between 20 and 24 May 2006 (GOV/2006/38, para. 11). The Agency concluded that the physical inventory as declared by Iran was consistent with the results of the PIV, within the measurement uncertainties normally associated with similar size conversion plants.

19. In April 2006, the movement of a 48X UF<sub>6</sub> cylinder<sup>1</sup> by the operator into and out of one of the withdrawal stations without prior notification to the Agency resulted in a loss of continuity of knowledge of nuclear material in the process. However, in light of the results of the PIV, the Agency will continue to follow up on this question as a routine part of its verification of the correctness and completeness of Iran's declarations.

20. On 27 June 2006, Iran provided the Agency with the anticipated operational programme for UCF, including details of the new conversion campaign involving approximately 160 tonnes of uranium ore concentrate which was begun on 6 June 2006 and is expected to be completed by January 2007. As of 25 August 2006, approximately 26 tonnes of uranium in the form of UF<sub>6</sub> had been produced during this campaign. All UF<sub>6</sub> produced at UCF remains under Agency containment and surveillance. In a

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<sup>1</sup> A standard 48X cylinder is capable of containing up to 9.5 tonnes of UF<sub>6</sub>.

letter dated 18 July 2006, Iran informed the Agency of its intention to build at UCF a “standby” process line for converting ammonium uranyl carbonate to UO<sub>2</sub>.

## **E.2. Other Matters**

21. On 8 July 2006, DIV was carried out at the Fuel Manufacturing Plant (FMP) at Esfahan. Iran informed the inspectors that full commissioning of the FMP is scheduled for 2007. The civil engineering construction of the facility is approximately 80% completed and equipment is being installed.

22. There are no new developments to report with respect to the other implementation issues referred to in the previous report (GOV/2006/38, para. 14; GOV/2006/27, paras 19 and 20).

23. Between the end of July 2006 and 29 August 2006, Iran declined to provide one-year multiple entry visas to designated Agency inspectors as agreed to by Iran in the Subsidiary Arrangements to its Safeguards Agreement. On 30 August 2006, Iran provided such visas for two inspectors, and on 31 August 2006 informed the Agency that “following the normal administration process the multiple one year visa for remaining designated inspectors will be issued by 10 September 2006”.

## **F. Transparency Measures**

24. Analysis of the environmental samples taken from equipment at a technical university in January 2006, referred to in paragraph 25 of GOV/2006/27, showed a small number of particles of natural and high enriched uranium. This equipment had been shown to the Agency in connection with its investigation into efforts made by the Physics Research Centre (PHRC) to acquire dual use material and equipment (GOV/2006/27, paras 24–25).

25. Iran has not yet responded to the Agency’s requests for clarification concerning, and access to carry out environmental sampling of, other equipment and materials related to the PHRC. Nor has Iran provided the Agency with access to interview the other former Head of the PHRC. As noted in GOV/2006/38, paragraph 17, the clarification and access sought by the Agency have taken on added importance in light of the results of the environmental sampling referred to in the previous paragraph.

26. The Agency has continued to follow up on information concerning studies related to the so-called Green Salt Project, to high explosives testing and to the design of a missile re-entry vehicle (GOV/2006/27, paras 27–29). However, Iran has not expressed any readiness to discuss these topics since the issuance of the Director General’s report in February 2006 (GOV/2006/15, paras 38–39).

## **G. Summary**

27. Iran has been providing the Agency with access to nuclear material and facilities, and has provided the required reports. Although Iran has provided the Agency with some information concerning product assays at PFEP, Iran continues to decline Agency access to certain operating records at PFEP.

28. Iran has not addressed the long outstanding verification issues or provided the necessary transparency to remove uncertainties associated with some of its activities. Iran has not suspended its enrichment related activities; nor has Iran acted in accordance with the provisions of the Additional Protocol.

29. The Agency will continue to pursue its investigation of all remaining outstanding issues relevant to Iran’s nuclear activities. However, the Agency remains unable to make further progress in its efforts to verify the correctness and completeness of Iran’s declarations with a view to confirming the

peaceful nature of Iran's nuclear programme. The Director General will continue to report as appropriate.

**- *Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council discussed the situation concerning Iran's nuclear programme. The Council commends the High Representative Solana's intensive efforts since June to encourage Iran to address IAEA Board and Security Council requirements and return to talks on long-term arrangements.

The Council recalled that the proposals presented by the High Representative on 6 June as a basis for a long-term agreement are far-reaching and would give Iran everything it needs to develop a modern civil nuclear power industry while addressing international concerns. They would open the way for a new relationship with Iran based on mutual respect and expanded cooperation in political and economic fields.

The Council expressed deep concern that Iran has not yet suspended its enrichment-related and reprocessing activities as required by the IAEA Board and UNSCR 1696.

The Council recalled its statement on 17 July that if Iran did not comply with the Security Council's requirements, the EU would work for the adoption of measures under Article 41 of the UN Charter. It also recalled that in Resolution 1696 the Security Council expressed its intention to adopt appropriate measures under Article 41 if Iran did not comply. Accordingly, the Council believed that Iran's continuation of enrichment-related activities has left the EU no choice but to support consultations on such measures.

The Council noted that the door to negotiations nevertheless remained open. It reaffirmed its commitment to a negotiated solution, and that such a solution would contribute to the development of the EU's relations with Iran. It urged Iran to take the positive path on offer."

# Board of Governors

**GOV/2006/64**  
Date: 14 November 2006

Original: English

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Item 4(d) of the agenda  
(GOV/2006/68)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 31 August 2006, the Director General reported on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2006/53). This report covers developments since that date.

### **A. Suspension of Enrichment Related Activities**

2. Since 31 August 2006, centrifuges in the single machine test stand, and the 10-machine, 20-machine and first 164-machine cascades at the Pilot Fuel Enrichment Plant (PFEP) have been run, mostly under vacuum, with UF<sub>6</sub> being fed during intermittent periods. The installation of the second 164-machine cascade was completed and, on 13 October 2006, testing of the cascade with UF<sub>6</sub> gas was begun. Between 13 August and 2 November 2006, a total of approximately 34 kg of UF<sub>6</sub> was reported by Iran as having been fed into the centrifuges and enriched to levels below 5% U-235.

3. Between 16 and 18 September 2006, the Agency performed a physical inventory verification (PIV) at PFEP, the evaluation of which remains open pending receipt of sample results.

4. The results of the analysis of the environmental samples taken by the Agency to confirm Iran's statement in June 2006 that it had achieved enrichment levels of 5% U-235 in a test run in the first 164-machine cascade at PFEP are still pending (GOV/2006/53, para. 5). Iran has not provided the Agency full access to operating records concerning product and tail assays which the Agency requires to complete its auditing activities.

5. Iran continues to decline to discuss the implementation of remote monitoring at PFEP, a proposal made by the Agency to compensate for the fact that measures normally used for verification at operational enrichment facilities (e.g. limited frequency unannounced access) are not feasible at PFEP (GOV/2006/53, para. 6).

6. On 5 November 2006, design information verification (DIV) was carried out at the Fuel Enrichment Plant (FEP) at Natanz, where construction was ongoing.

## **B. Suspension of Reprocessing Activities**

7. The Agency has been monitoring the use of hot cells at the Tehran Research Reactor (TRR) and the Molybdenum, Iodine and Xenon Radioisotope Production Facility, and the construction of hot cells at the Iran Nuclear Research Reactor (IR-40), through inspections, DIV and satellite imagery. There are no indications of ongoing reprocessing activities at those facilities, or at any other declared facilities in Iran.

## **C. Heavy Water Research Reactor**

8. Since 31 August 2006, the Agency has been monitoring through satellite imagery the construction of the IR-40 reactor, which, along with the construction of associated buildings, has been continuing.

## **D. Outstanding Issues**

9. On 16 October 2006, the Agency wrote to Iran referring to the long outstanding verification issues relevant to Iran's nuclear activities, and to the fact that Iran had not addressed those issues or provided the necessary transparency to remove uncertainties associated with some of its nuclear activities. In its letter, the Agency urged Iran to provide all the necessary information and required access to facilitate the resolution of all long outstanding verification issues. In its reply of 1 November 2006, Iran stated, *inter alia*, that it "is prepared to remove ambiguities, if any, and gives access and information in accordance with its Safeguards Agreement". With regard to the outstanding issues, Iran referred to its letter of 27 April 2006, in which it had "declare[d] its preparedness to resolve the remaining issues providing timetable, within next three weeks, provided that the nuclear dossier is returned back in full in the framework of the Agency".

### **D.1. Enrichment Programme**

#### **D.1.1. Contamination**

10. There has been no further progress on the resolution of the contamination issues referred to in GOV/2006/53, para. 11 (i.e. the sources of low enriched uranium particles, and some high enriched uranium (HEU) particles, found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored). In addition, clarification is still required of the particles of natural and high enriched uranium which were found in the samples taken from equipment at a technical university in January 2006 (GOV/2006/53, para. 24).

#### **D.1.2. Acquisition of P-1 and P-2 Centrifuge Technology**

11. Iran has not made available to the Agency any new information concerning Iran's P-1 or P-2 centrifuge programme (GOV/2006/53, paras 12–13).

### **D.2. Uranium Metal**

12. Iran has still not provided a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (GOV/2005/87, para. 6). The document was resealed by the Agency in August 2006.

### **D.3. Plutonium Experiments**

13. The Agency has continued to seek clarification from Iran about its plutonium separation experiments (GOV/2006/53, paras 15–17). Iran has not provided sufficient clarification of the outstanding issues concerning these experiments and has stated that no other relevant information is available.

14. As reflected in the Director General's previous report (GOV/2006/53, para. 17), the results of the analysis of environmental samples taken at the Karaj Waste Storage Facility (where containers which had been used to store depleted uranium targets used in the experiments are located) indicate the presence of HEU particles. In response to the Agency's request of 15 August 2006 for information about the source of the particles, and about the past use of the containers, Iran informed the Agency in a letter dated 6 September 2006 that the containers had been used for the temporary storage of spent fuel from TRR, which, in its view, could explain the presence of the HEU particles. Additional samples have been taken from other containers, located at the Tehran Nuclear Research Centre, which had also been used to store spent fuel from TRR. The results from these samples are still pending.

15. Under cover of the Agency's letter of 16 October 2006 (referred to in para. 9 above), Iran was provided with a detailed assessment of the results of further analysis of the samples taken from the containers at Karaj, and was requested to provide further clarification of the presence of the HEU particles and clarification of an additional finding of plutonium in the samples. On 13 November 2006, Iran provided a response to that request, which the Agency is currently assessing.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

16. In June 2006, Iran started at the Uranium Conversion Facility (UCF) a uranium conversion campaign involving approximately 160 tonnes of uranium ore concentrate. As of 7 November 2006, approximately 55 tonnes of uranium in the form of UF<sub>6</sub> had been produced during this campaign. All UF<sub>6</sub> produced at UCF remains under Agency containment and surveillance.

### **E.2. Other Matters**

17. There are no new developments to report with respect to the other implementation issues referred to in previous reports (GOV/2006/38, para. 14; GOV/2006/27, paras 19–20).

## **F. Transparency Measures**

18. Iran has not yet responded to the Agency's long outstanding requests for clarification concerning, and access to carry out further environmental sampling of, equipment and materials related to the Physics Research Centre (PHRC); nor has Iran provided the Agency with access to interview another former Head of the PHRC.

19. Iran has not expressed any readiness to discuss information concerning alleged studies related to the so-called Green Salt Project, to high explosives testing and to the design of a missile re-entry vehicle (GOV/2006/53, para. 26).

## **G. Summary**

20. Iran has been providing the Agency with access to declared nuclear material and facilities, and has provided the required nuclear material accountancy reports in connection with such material and facilities. However, Iran has not provided the Agency with full access to operating records at PFEP.

21. While the Agency is able to verify the non-diversion of declared nuclear material in Iran, the Agency will remain unable to make further progress in its efforts to verify the absence of undeclared nuclear material and activities in Iran unless Iran addresses the long outstanding verification issues, including through the implementation of the Additional Protocol, and provides the necessary transparency. Progress in this regard is a prerequisite for the Agency to be able to confirm the peaceful nature of Iran's nuclear programme.

22. The Agency will continue to pursue its investigation of all remaining outstanding issues relevant to Iran's nuclear activities, and the Director General will continue to report as appropriate.

**Security Council**Distr.: General  
27 December 2006**Resolution 1737 (2006)****Adopted by the Security Council at its 5612th meeting, on  
23 December 2006**

*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 outstanding 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

\* Reissued for technical reasons.



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 non-proliferation 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 judgement, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement 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, *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;

21. *Welcomes* 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), 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)
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**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"The Council discussed Iran's nuclear programme. The Council deplored Iran's failure to take the steps repeatedly required by the IAEA Board of Governors and the United Nations Security Council. It welcomed the unanimous adoption of Security Council Resolution 1737 on 23 December 2006. This decision represents a necessary and proportionate response to Iran's disregard for the concerns of the international community and for Security Council Resolution 1696.

The Council welcomed the measures in Resolution 1737, which are targeted against the most sensitive parts of the Iranian nuclear and missile programmes, and called on all countries to implement the measures in full and without delay.

To ensure effective implementation of measures in UNSCR 1737 while remaining consistent with EU policy, and recalling the EU policy not to sell arms to Iran, Ministers agreed that the EU should prevent the export to and import from Iran of the goods on the NSG and MTCR lists; ban transactions with and freeze the assets of individuals and entities covered by the criteria in UNSCR 1737; ban travel to the EU of the individuals covered by these criteria; and take measures to prevent Iranian nationals from studying proliferation sensitive subjects within the EU.

The Council welcomed the Security Council's decisions to request a report by the IAEA Director General within 60 days, and to review Iran's action in the light of that report; and that it shall suspend the implementation of measures if and for as long as Iran suspends all enrichment-related and reprocessing activities, including research and development as verified by the IAEA, to allow for negotiations; and, in the absence of Iranian compliance, to adopt further measures under Article 41 of Chapter VII of the UN Charter, in order to persuade Iran to fully comply with the Security Council's Resolutions and the requirements of the IAEA Board of Governors. The Council, in this context, underlined its continued commitment to an incremental and proportionate approach.

The Council reiterated at the same time its continuing support for efforts to find a negotiated longterm solution. It reaffirmed its support for the far-reaching proposals presented to Iran by the EU High Representative on 6 June 2006 which would open the way for a new relationship with Iran based on mutual respect and expanded cooperation, and called upon Iran to seize the opportunity of reaching a negotiated solution."

## Board of Governors

**GOV/2007/7**

Date: 9 February 2007

**Restricted Distribution**  
Original: English

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Item 6 of the provisional agenda  
(GOV/2007/6)

# Cooperation between the Islamic Republic of Iran and the Agency in the light of United Nations Security Council Resolution 1737 (2006)\*

*Report by the Director General*

## A. Background

1. On 23 December 2006, the Security Council, acting under Article 41 of Chapter VII, “Action with respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression” of the Charter of the United Nations (the Charter), adopted resolution 1737 (2006) (the resolution). Pursuant to Article 48(2) of the Charter the decisions of the Security Council for the maintenance of international peace and security “shall be carried out by the Members of the United Nations directly and through their action in the appropriate international agencies of which they are members”. In addition, the Agreement governing the relationship between the United Nations and the Agency provides that “the Agency shall consider any resolution relating to the Agency adopted by the General Assembly or by a Council of the United Nations”. It will therefore be necessary for Member States of the Agency to consider the resolution and the Agency’s ensuing obligations thereunder.

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\* The report by the Director General to the March 2007 meetings of the Board of Governors on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran will be published in GOV/2007/8 and will be sent, in parallel, to the Security Council in response to its request in operative paragraph 23 of UN Security Council resolution 1737 (2006).

## **B. Obligations under Security Council resolution 1737 (2006)**

2. The resolution, inter alia in operative paragraphs 3 and 4, requires the taking of measures to prevent the supply, sale or transfer to, or for the use in or benefit of, Iran 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 and of specified items, materials, equipment, goods and technology listed in United Nations Security Council documents S/2006/814 and S/2006/815, as well as of any other additional items that may be determined by the Security Council or the Committee established pursuant to operative paragraph 18 of the resolution. Also, pursuant to operative paragraph 5 of the resolution, the Agency has to be informed within ten days in cases of the supply, sale or transfer to Iran of those items, materials, equipment, goods and technology listed in document S/2006/814 in respect of which the export to Iran is not prohibited. At the same time, the resolution exempts specific equipment and fuel assemblies for light water reactors from the restrictions mentioned above. While operative paragraph 10 requires Member States to exercise vigilance regarding the entry into or transit through their territories of persons specified in that paragraph, operative paragraph 11 requires Member States to grant to such persons entry into their territories to attend Agency meetings designed to meet the objectives of the resolution.

3. The resolution further provides, in its operative paragraph 6, that all Member States (and through their actions as set out in paragraph 1 above, the Agency) 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 operative paragraphs 3 and 4 of the resolution.

4. In addition to this general prohibition on technical assistance relating to proliferation sensitive nuclear activities, the resolution, in its operative paragraph 16, specifically addresses the Agency and provides 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) of the resolution (i.e. equipment and fuel assemblies for light water reactors), but that no such technical cooperation shall be provided that relates to the proliferation sensitive nuclear activities set out in operative paragraph 2 of the resolution. The Committee established pursuant to operative paragraph 18 of the resolution is tasked, inter alia, to seek from the Secretariat of the Agency information regarding the actions taken by the Agency to implement effectively the measures provided for in operative paragraph 16 of the resolution and whatever further information it may consider useful in this regard. Taking into account the drafting history of the resolution, given the standard terminology traditionally used in the Agency in the context of defining its technical cooperation programme and the fact that the resolution clearly distinguishes on the one hand between technical assistance in the general sense in operative paragraph 6 and on the other hand technical cooperation in the specific Agency context in operative paragraph 16, it is the Secretariat's judgement that the activities of the Agency dealt with by operative paragraph 16 pertain only to activities in the context of projects implemented through the Agency's Technical Cooperation Programme.

5. In light of the above provisions of operative paragraph 6 no technical assistance outside the Technical Cooperation Programme,<sup>1</sup> can be provided to Iran that relates to the proliferation sensitive

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<sup>1</sup> For example, the activities carried out in the framework of coordinated research projects.

nuclear activities specified in the resolution. Technical assistance, however, can be provided to Iran when after a case-by-case screening by the Secretariat upon receipt of a request for specific assistance, it is found to be in conformity with the provisions of operative paragraph 6 of the resolution. The Secretariat has evaluated, and established the necessary internal procedures to keep under review, all its technical assistance activities to ensure that none of them contribute to Iran's proliferation sensitive nuclear activities specified in the resolution<sup>2</sup>.

## **C. Evaluation of technical cooperation provided to Iran**

6. In respect of technical cooperation, the Director General undertook in his letter of 27 December 2006 to the Chairman of the Board of Governors, that the Secretariat "will evaluate all IAEA technical cooperation projects for Iran in the light of resolution 1737 (2006) and will prepare a report including a list of the projects which could, in the Secretariat's judgement, continue to be implemented". The Director General also stated that, pending completion of the Secretariat's evaluation, and until the Board takes the required decision, it would be ensured that, "any technical cooperation provided to Iran by the Agency, or under its auspices, will be limited to activities that are, prima facie, in the Secretariat's judgement authorized by the aforementioned resolution."

7. The Secretariat has evaluated the technical cooperation provided to Iran by the Agency, in the context of the resolution. The Secretariat has also established the necessary procedures to keep the programme under review. The recommendations resulting from the evaluation are provided in the attached Annex and are based on the following considerations:

- (i) No technical cooperation may be provided to Iran that relates to the proliferation of sensitive nuclear activities specified in the resolution.
- (ii) Technical cooperation by the Agency may continue to be provided only if it is for food, agricultural, medical, safety or other humanitarian purposes, or where it relates to light water reactors as specified in operative paragraphs 3(b)(i) and (ii) of the resolution.
- (iii) The phrase "technical cooperation provided to Iran by the IAEA" in the resolution is understood to include any and all technical cooperation to Iran by the Agency whether through national, regional or interregional projects contained in the Agency's Technical Cooperation Programme.
- (iv) The phrase "under its auspices" is understood to mean any and all technical cooperation provided by the Agency to Iran in the context of agreements, arrangements or events which the Agency supports or co-organizes, to which the Agency is a party, and/or for which the Agency is a sponsor or co-sponsor.
- (v) The term "safety" is understood to mean activities that may have a direct impact on the protection of people and the environment against radiation risks. This includes the safety of nuclear installations, radiation safety, the safety of radioactive waste and safety in the transport of radioactive material.

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<sup>2</sup> As a result, Iran's participation in three such activities will require a case-by-case assessment.

(vi) The phrase “or other humanitarian purposes” is understood to mean all activities directly related to basic human needs and human welfare other than those specifically mentioned in operative paragraph 16 of the resolution.

(vii) To the extent that nuclear security may have a direct impact on the safety of people and the environment, relevant nuclear security related technical cooperation projects may continue to be carried out.

(viii) As regards technical cooperation projects with disparate purposes and activities, the Secretariat will implement the activities on a case-by-case basis for those purposes which are in conformity with the provisions of operative paragraph 16 of the resolution.

8. There are, at present, fifteen national technical cooperation projects for Iran as well as thirty-four regional and six interregional technical cooperation projects in which Iran participates or is eligible to participate.<sup>3</sup> The Secretariat reached the following conclusions regarding the technical cooperation provided to Iran by the Agency or under its auspices<sup>4</sup>:

(i) Technical cooperation to Iran may proceed through eleven national projects and twenty regional and two interregional projects.

(ii) Technical cooperation to Iran may not proceed through one national project and ten regional and one interregional projects with disparate activities except for those specific activities that, after a case-by-case screening by the Secretariat upon receipt of a request for specific assistance, are found to be in conformity with the provisions of operative paragraph 16 of the resolution.

(iii) Technical cooperation to Iran may not proceed through three national projects and four regional and three interregional projects.

9. Pending action by the Board, and as indicated by the Director General in his letter to the Chairman of the Board of 27 December 2006, the Secretariat has placed on hold three fellowships, one individual participation in a training course and the procurement of fifteen items and shipments under projects INT0081, RAS0042, RAS4025, RAS2011, IRA8015, as well as all technical cooperation projects referred to in paragraph 8(iii) above.

## **D. Actions by the Secretariat**

10. The Secretariat will continue to keep all its technical assistance activities under review to ensure that none contribute to Iran’s proliferation sensitive nuclear activities as specified in the resolution.

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<sup>3</sup> In addition, thirty-six national, regional and interregional technical cooperation projects in which Iran participated or was eligible to participate are under closure pending finalization of the standard administrative requirements. There are no current or future activities for or involving Iran under these projects.

<sup>4</sup> The current conclusions are limited to activities and projects foreseen at present. Should future developments warrant a change to these conclusions, the Board will be consulted.

11. Subject to the concurrence by the Board, the Secretariat will implement the technical cooperation to Iran as specified in paragraphs 7 and 8 above.

12. Obligations to third parties arising out of technical assistance activities and technical cooperation projects that are being put on hold are being kept under review by the Secretariat and will be addressed in accordance with the terms of the relevant contracts.

13. In accordance with operative paragraph 18(b) of the resolution, the Secretariat will provide information that may be required by the Committee established pursuant to the resolution.

## **E. Recommended Action by the Board**

14. It is recommended that the Board:

(i) take note of the resolution; and

(ii) concur with the Secretariat's understanding of the actions required of the Agency by Member States, in respect of the cooperation between Iran and the Agency as contained in paragraphs 10 to 13 above.

**Annex**

**EVALUATION OF TECHNICAL COOPERATION PROVIDED TO IRAN**

**No technical cooperation relating to proliferation sensitive nuclear activities will be provided under any project.**

**Key to Secretariat Evaluation:**

**Y:** YES – the national project or Iran’s involvement in a regional/interregional project **may proceed**. In the Secretariat’s judgement the project in question is in conformity with the requirements of operative paragraph 16 of S/RES/1737(2006).

**CC:** NO – activities under a national project or Iran’s involvement in a regional/interregional project with disparate activities **may not proceed** except for those specific activities that, after a case-by-case screening by the Secretariat upon receipt of a request for specific assistance, are found to be in conformity with the provisions of operative paragraph 16 of S/RES/1737(2006).

**N:** NO – the national project or Iran’s involvement in a regional/interregional project **may not proceed**. In the Secretariat’s judgement the project in question is not in conformity with the requirements of operative paragraph 16 of S/RES/1737(2006).

<i>No.</i>	<i>Project Code (Initial year of approval)</i>	<i>Project Objective</i>	<i>Remarks regarding the Secretariat’s Evaluation</i>	<i>Recommendation</i>
<b>A. NATIONAL PROJECTS</b>				
1	IRA0007 (2007)	To upgrade and strengthen the skills and capabilities of the human resources within the broad spectrum of applications of atomic and nuclear science and technology.	This project will have various activities for disparate purposes, such as food, agriculture, health, safety, nuclear power and industry. Each activity will be assessed on a case-by-case basis.	<b>CC</b>
2	IRA2007 (2005)	To improve the overall capacity and standardize production protocols to manufacture radiopharmaceutical products, in accordance with good manufacturing practices (GMP), for distribution to the national nuclear medicine community.	The project is entirely for medical purpose.	<b>Y</b>
3	IRA2008 (2007)	To prepare therapeutic sources, radiocolloid particles and radiopharmaceuticals for cancer treatment.	Entirely for medical purpose.	<b>Y</b>
4	IRA3006 (2007)	To study, characterize and assess candidate sites for their suitability as a near-surface repository and to develop the necessary documentation required by the regulatory authority for the issuance of a construction licence.	Entirely for safety purpose.	<b>Y</b>

5	IRA4034 (2003)	To complete site characterization, preliminary safety assessment, and a reference conceptual design for a near-surface repository for low- and intermediate-level radioactive waste (LILW).	Entirely for safety purpose.	<b>Y</b>
6	IRA4035 (2005)	To assist the Atomic Energy Organization of Iran (AEOI) in further strengthening its owner capabilities for the commissioning and start-up, followed by safe and reliable operation of the country's first unit of nuclear power plant in Bushehr (BNPP-1), through the provision of technical advice based on international safety codes, standards and proven practices.	This projects relates directly to safety at the Bushehr NPP.	<b>Y</b>
7	IRA4036 (2007)	To strengthen the owner's capabilities for successful implementation of the approved national programme for provision of safe and reliable nuclear power generation capacities in the future.	This project essentially relates to the implementation of nuclear power in the future	<b>N</b>
8	IRA4037 (2007)	To establish a new Nuclear Technology Centre (NTC) including discussion with Agency consultants on ways of using the experience of other countries.	This project is largely concerned with the development of organisational structure, quality management systems and action plans for the NTC.	<b>N</b>
9	IRA5012 (1999)	To establish the ability to prepare standardized assays for use in foot and mouth disease (FMD) control.	Entirely for agricultural purpose.	<b>Y</b>
10	IRA8015 (2001)	To establish radiation processing for the cross-linking of cable and wire, and production of heat-shrinkable materials.	Relates to industrial applications.	<b>N</b>
11	IRA8016 (2003)	To investigate the dynamics of the groundwater system around Tehran for developing a sustainable water resource management strategy.	For agricultural and humanitarian purposes.	<b>Y</b>
12	IRA8017 (2005)	To prepare a technical and economical feasibility study on the use of radiation to treat municipal wastewater and sludge and to elaborate, on the basis of such a study, the technical requirements of a pilot-scale wastewater treatment facility.	This project is for humanitarian purposes. The project is designed to lead to positive implications on the health standards improvement of water quality and a reduction in transmission of infectious disease, the environment and more important, the reuse of wastewater for agriculture.	<b>Y</b>
13	IRA9016 (2001)	To undertake a safety evaluation of the Tehran Research Reactor for determining the feasibility of upgrading it.	The project is for safety purpose and relates to an item specified in subparagraph 3(b)(i) of S/RES/1737 (2006).	<b>Y</b>
14	IRA9017 (2003)	To enhance the capability of the Iranian Nuclear Regulatory Authority (INRA) for the licensing and regulatory control of nuclear installations and activities, in accordance with international codes, standards, and practices.	Entirely for safety purpose.	<b>Y</b>
15	IRA9018 (2007)	To enhance the capability of INRA in licensing and control of Iranian nuclear and radiological facilities.	Entirely for safety purpose.	<b>Y</b>
<b>B. REGIONAL AND INTERREGIONAL PROJECTS</b>				
16	RAS0042 (2003)	To upgrade and strengthen human resources of the Member States, assist in implementation of national projects, and support visits of national consultants within the broad spectrum of the applications of nuclear science and technology.	This project is for disparate purposes covered under IAEA technical cooperation programme, such as food, agriculture, health, safety, nuclear power, industry, water and environment. Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
17	RAS0046 (2007)	To assist Member States' National Nuclear Institutions (NNIs) in achieving greater sustainability and self-reliance through enhanced strategic planning and a greater capability to provide services/products both to the public and to the private sectors, thereby ensuring that NNIs contribute to long term socioeconomic national and regional development.	This project is essentially for managerial and strategic purposes.	<b>N</b>

18	RAS0047 (2007)	To support the web-based development, consolidation, and utilization of standardized educational and training programmes in nuclear sciences and applications.	This project will deal with training and knowledge management for disparate purposes such as food, agriculture, health, safety, nuclear power and industry. Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
19	RAS0049 (2007)	To assist Member States in designing projects that are in line with the TC Strategy and meet Agency project design criteria, and allow for effective implementation.	This project is essentially for managerial purposes.	<b>N</b>
20	RAS0050 (2007)	To strengthen human resource capacity in nuclear science and technology for the dissemination of new or improved technologies.	This project is for disparate purposes covered under IAEA technical cooperation programme, such as food, agriculture, health, safety, nuclear power, industry, water and environment. Each activity will be assessed on a case-by-case basis.	<b>CC</b>
21	RAS0051 (2007)	To assist Member States in identifying planning opportunities and establishing priorities for the development of future technical cooperation programmes in line with the TC Strategy.	This project is essentially for managerial and strategic purposes.	<b>N</b>
22	RAS2011 (2003)	To introduce and implement quality management (QM) systems for nuclear analytical techniques in Member State laboratories in accordance with internationally accepted standards.	This project concerns nuclear analytical techniques for disparate purposes, such as trade, health, environmental protection, and safety.	<b>CC</b>
23	RAS2013 (2007)	To ensure the safe and effective use of radiopharmaceuticals through adherence to GMP and GRP guidelines in facilities for radiopharmaceutical manufacturing and compounding in the field of nuclear medicine.	Entirely for safety and medical purposes.	<b>Y</b>
24	RAS3009 (2007)	Overall objective: To establish (if existing, to upgrade) RWM (radioactive waste management) infrastructure in the countries of the Asia and Pacific Region in accordance with international standards. Specific objectives: 1) To manage the radioactive waste generated by various nuclear applications and associated activities in the participating MS in a safe, effective and secure manner; 2) To identify disused sealed radioactive sources in the region and manage them in a safe, effective and secure manner; 3) To prepare a strategic action plan for regional implementation to strengthen national RWM infrastructure and manage sealed radioactive sources securely and safely in the region; 4) To implement the strategic action plan at national level and facilitate the overall objective through regional cooperation.	Entirely for safety purpose.	<b>Y</b>
25	RAS4025 (2005)	To strengthen Member States' capacities in the modernization and refurbishment of nuclear instrumentation in agreement with quality control (QC) standards.	This project concerns nuclear instruments for disparate purposes, such as food, agriculture, health, safety, nuclear power, industry, water and environment. Each project activity will be assessed on a case-by-case basis	<b>CC</b>
26	RAS4027 (2007)	To assist Member States to maintain and refurbish Nuclear Instruments (NIs) in accord with modern electronics and through the use of proper QC procedures, in order to ensure quality services.	This project concerns nuclear instruments for disparate purposes, such as food, agriculture, health, safety, nuclear power, industry, water and environment. Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
27	RAS4028 (2007)	To improve the NPP management systems so that they integrate safety, quality, security, health, production, human resources and environmental needs in a coherent way and thus ensure long term success in the exploitation of nuclear power.	This project is for nuclear power and safety purposes. Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
28	RAS4029 (2007)	To strengthen national and regional infrastructures in interested Member States in Asia and the Pacific Region for the planning and development of nuclear power programmes.	This project relates to the development of nuclear power in the future.	<b>N</b>

29	RAS5049 (2007)	To promote regional cooperation in the field of plant protection through the sharing of knowledge and experience acquired by some Member States in the integration of SIT to the area-wide suppression of major Tephritid fruit fly pests.	Entirely for agricultural purpose.	<b>Y</b>
30	RAS6034 (2001)	To develop a national and regional quality management programme for accurate and cost-effective radioisotopic molecular diagnosis of infectious diseases; and to prepare the participating laboratories for accreditation.	Entirely for medical purpose.	<b>Y</b>
31	RAS6043 (2005)	To assist Member States in developing and expanding the neonatal screening system for congenital hypothyroidism (CH) in order to reduce the incidence of mental retardation in newborns through improving diagnosis and treatment.	Entirely for medical purpose.	<b>Y</b>
32	RAS6050 (2007)	To establish interventions for the control and prevention of childhood obesity and related health risks in Asia and the Pacific.	Entirely for medical purpose.	<b>Y</b>
33	RAS6051 (2007)	To improve the medical physics capability and capacity in the countries of the Asia and the Pacific region through the establishment of a regional approach to education and training of qualified medical physicists, in particular through a Post-Graduate Educational Course in Medical Physics at M.Sc. or equivalent level, with a clear linkage to clinical training.	Entirely for medical purpose.	<b>Y</b>
34	RAS7014 (2007)	The objectives of the project are twofold: i) to evaluate and monitor the food fortification intervention programmes in five participating Member States, and ii) to develop rice mutants with low phytic acid from the country's high-yield rice varieties.	Entirely for food and agricultural purpose.	<b>Y</b>
35	RAS7017 (2007)	1) To validate and apply the RBA (Receptor Binding Assay) method for brevetoxins and ciguatera in fish and fish products based on the use of suitable radio-ligands and the standardization and interlab study of a robust assay. 2) To provide information on simplified field techniques for use with RBAs including solid phase adsorption in situ sampling, sample preparation, preconcentration, filtering, and counting (basic chemiluminescence). 3) To apply nuclear techniques to evaluate the impact of eutrophication on HABs in relevant fish/shellfish growing areas.	Entirely for food purpose.	<b>Y</b>
36	RAS8102 (2005)	To enhance Member States' capabilities in applying radiation technology for advanced materials development, natural and synthetic polymer processing, composites, and healthcare products based on polymers.	This project deals with development of materials for disparate purposes, such as health and industry. Materials such as composites that can be for dual uses are not permitted under OP16 S/RES/1737(2006). Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
37	RAS9037 (2005)	To support the target countries in their effort to attain a core number of managers, qualified experts, trainers and specialists in radiation protection; to develop adequate expertise and competence required for sustainable national radiation protection infrastructure; to partake appropriate knowledge and understanding for the promotion and sustainability of safe working practices.	Entirely safety purpose.	<b>Y</b>
38	RAS9038 (2005)	To increase national capacity in the target countries for prevention, detection and response to illicit trafficking of nuclear and other radioactive materials; to provide the required training of staff in regulatory authorities, at nuclear installations and at other locations where these materials are used or stored and of staff in law enforcement organizations. These objectives will be achieved through NSF funding.	Entirely safety purpose.	<b>Y</b>

39	RAS9039 (2005)	(i) To improve the comprehensive regulatory infrastructure for the safety and security of radiation sources and control of radiation exposure in participating countries; (ii) to establish and/or develop a national occupational radiation protection programme and for provision of individual and workplace monitoring services to all radiation workers under an adequate Quality Management System, and to optimize radiation exposure of workers in different facilities including work to significant exposure to natural sources, (iii) to harmonize and streamline national capabilities for regulatory and occupational exposure control in all practices compliant with the requirements of the International Basic Safety Standards (BSS) and relevant safety guides, the requirements of Legal and Governmental Infrastructure for Nuclear, Radiation, Radioactive Waste and Transport Safety (GS-R-1), and the provisions of the Code of Conduct on the Safety and Security of Radioactive Sources, and (iv) to support the target countries in their effort to develop and attain a core number of managers, qualified experts and trainers in skills required in radiation protection and through a long-duration Post Graduate Educational Course on Radiation Protection and Safety of Sources (PGEC).	Entirely safety purpose.	<b>Y</b>
40	RAS9040 (2005)	(i) To establish, develop and consolidate adequate national systems for radiological protection of patients and the control of exposures of patients in diagnostic and interventional radiology, radiotherapy and nuclear medicine, in line with the international standards, (ii) to build capacity and develop technical capabilities for the introduction and implementation of quality assurance (QA) programmes for radiation protection in medicine, (iii) to support Member States in gradual transition from the basic to more advanced stages of the implementation of the international Basic Safety Standards (BSS) in the application of radiation sources in medicine.	Entirely safety purpose.	<b>Y</b>
41	RAS9043 (2007)	To use ANSN to promote the sustainable sharing of knowledge and experience for mutual learning and continuous improvement of the safety of nuclear installations in Asian countries.	The project is entirely for safety purpose but activities related to heavy water moderated plants will be excluded.	<b>CC</b>
42	RAS9044 (2007)	To promote the use of proactive activities to identify the precursors of degradation in operational safety performance and safety culture, in order to bring about continuous improvement in the safety performance of nuclear power plants.	The project is entirely for safety purpose but activities related to heavy water moderated plants will be excluded.	<b>CC</b>
43	RAS9045 (2007)	1) To improve the comprehensive regulatory infrastructure for the safety and monitoring of radiation sources in participating countries. 2) To establish and develop adequate and effective regulatory mechanisms for the monitoring of radiation sources in new Member States. 3) To harmonize and streamline national capabilities for regulatory control in compliance with the requirements of the international Basic Safety Standards (BSS), the requirements of the Legal and Governmental Infrastructure for Nuclear, Radiation, Radioactive Waste and Transport Safety (GS-R-1), and the provisions of the Code of Conduct on the Safety and Security of Radioactive Sources.	Entirely for safety purpose.	<b>Y</b>
44	RAS9046 (2007)	To protect occupationally exposed workers against the risks associated with ionizing radiations.	Entirely for safety purpose.	<b>Y</b>

45	RAS9047 (2007)	To ensure that Member States in the region gain acquired capability and documented optimization of patient protection, in order that patients, family members and patient comforters may be protected in accordance with the International Radiation Safety Standards. In concrete terms, the participating countries should achieve: documented reduction of unnecessary radiation exposure in imaging procedures (radiology and nuclear medicine), avoidance of radiation injuries in X-ray interventional procedures, and avoidance of accidental exposure in therapeutic procedures.	Entirely for safety purpose.	<b>Y</b>
46	RAS9048 (2007)	To ensure that all practices and activities that entail exposure to ionizing radiation are safe.	Entirely for safety purpose.	<b>Y</b>
47	RAS9049 (2007)	1) To establish and develop a coordinated national system for building up infrastructure for preparedness and ability to respond to radiological and nuclear emergencies, pursuing an integrated all-hazards approach capable of dealing with all types of emergencies using the same set of management arrangements; and 2) To harmonize and streamline national capabilities in accord with internationally accepted good practice as reflected in the international Basic Safety Standards (BSS 115) and the IAEA Safety Standard GS-R-2, Preparedness and Response for a Nuclear or Radiological Emergency.	Entirely for safety purpose.	<b>Y</b>
48	RAS9050 (2007)	To provide education and training in radiation protection to ensure the safe use of radiation sources in medicine, industry, research, and agriculture, and at universities.	Entirely for safety purpose.	<b>Y</b>
49	RAS9051 (2007)	To support the implementation of the IAEA's Nuclear Security Plan (2006-2009) by increasing national awareness and capacities for the prevention of, detection of and response to malicious acts involving nuclear and other radioactive materials or facilities and illicit trafficking in nuclear and other radioactive materials.	Security and safety are intertwined. In this regard the project directly impacts on safety.	<b>Y</b>
50	INT0064 (1997)	(i) To validate priority areas for technical cooperation based upon a clear understanding of the development problem context, the comparative advantage of specific technical packages, and the roles, responsibilities and objectives of the principal stakeholders seeking a sustainable solution, thus strengthening the social-economic impact of these programmes in Member States and (ii) to bring greater programme integration between the Regular and technical cooperation programmes.	This project is essentially for managerial and strategic purposes.	<b>N</b>
51	INT0081 (2005)	To contribute to improved scientific capacity in nuclear science and technology and its application for development in developing Member States through supporting participation in scientific meetings and specialized training and educational activities.	This project is for disparate purposes covered under IAEA technical cooperation programme, such as food, agriculture, health, safety, nuclear power, industry, water and environment. Each project activity will be assessed on a case-by-case basis.	<b>CC</b>
52	INT0082 (2007)	To contribute to increasing the international recognition and use of Member States' nuclear-related institutional capacities for technical cooperation and technical cooperation among developing countries (TCDC) and encourage the further development of these capacities.	This project is for managerial and strategic purposes.	<b>N</b>

53	INT4141 (2003)	To provide a forum for exchange of information and expertise among developing Member States actively involved in nuclear power planning or operations; to share their specific experiences on reactor operation, maintenance, and similar issues affecting the future design of reactors; and to enable experts from these countries to participate in selected International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO) Technical Meetings for information exchange.	This project essentially relates to the future development of nuclear power.	<b>N</b>
54	INT7016 (2005)	Overall Objective: To promote use of the receptor binding assay (RBA) for more efficient and widespread testing for paralytic shellfish poisoning (PSP) toxins by regulatory authorities, thus increasing consumer safety and facilitating trade by contributing to more cost-effective marine biotoxin management programmes. Specific objective: 1. To facilitate regulatory acceptance of the RBA for PSP toxins. 2. To continue to secure a reliable, quality controlled, source of radio-labeled saxitoxin for Member States wishing to incorporate the RBA in the national shellfish toxicity monitoring programmes. 3. To make Member States aware of the benefits of including the RBA in their national shellfish toxicity monitoring programmes. 4. To facilitate networking on the RBA technology among Member States, national and international organizations.	Entirely for food purpose.	<b>Y</b>
55	INT9173 (2003)	To transfer knowledge and technology from Member States with advanced research and development in underground research facilities (URFs) by training specialists from Member States with less-developed repository implementation programmes and/or having no direct access to URFs. The aim is to increase the level of competence in nuclear waste management among countries operating and having spent fuel and highly radioactive waste for disposal.	Entirely for safety purpose.	<b>Y</b>

- ***Iran – Restrictive Measures***

The Council reached a political agreement on a draft common position on restrictive measures against Iran, in accordance with United Nations Security Council resolution (UNSCR) 1737 (2006), which aims to persuade Iran to suspend some proliferation-sensitive nuclear activities without further delay.

The draft common position, which will be formally adopted at a forthcoming Council meeting, introduces the following restrictive measures:

- a ban on the supply of goods, technology or technical or financial assistance which could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems;
- a visa ban on persons and a freeze of assets on persons and entities listed in UNSCR 1737 (2006) and designated by the UN Security Council or by the sanctions committee, and other persons or entities directly associated with or providing support for Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems;
- steps to prevent the specialised teaching or training of Iranian nationals in disciplines which would contribute to Iran's proliferation-sensitive nuclear activities and development of nuclear weapons delivery systems.

# Board of Governors

**GOV/2007/8**  
Date: 22 February 2007

Original: English

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**For official use only**

Item 5(d) of the provisional agenda  
(GOV/2007/6)

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

*Report by the Director General*

1. On 14 November 2006, the Director General reported on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2006/64).
2. On 23 December 2006, the United Nations Security Council adopted resolution 1737 (2006), in which the Council, inter alia:
  - affirmed that Iran shall without further delay take the steps required by the Board of Governors in resolution GOV/2006/14, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme and to resolve outstanding questions (operative para. 1);
  - decided that Iran shall without further delay suspend the following proliferation sensitive nuclear activities:
    - all enrichment related and reprocessing activities, including research and development, to be verified by the Agency; and
    - work on all heavy water related projects, including the construction of a research reactor moderated by heavy water, also to be verified by the Agency (operative para. 2);
  - decided that Iran shall provide such access and cooperation as the Agency requests to be able to verify the suspension outlined above and to resolve all outstanding issues, as identified in Agency reports, and called upon Iran to ratify promptly the Additional Protocol (operative para. 8);
  - requested within 60 days a report from the Director General on whether Iran has established full and sustained suspension of all activities mentioned in the resolution, as well as on the

process of Iranian compliance with all the steps required by the Board of Governors and with the other provisions of the resolution, to the Board and in parallel to the Security Council for its consideration (operative para. 23).

3. This report, which is being submitted to the Board, and in parallel to the Security Council, covers developments since the Director General's report of 14 November 2006.

## **A. Enrichment Related Activities**

4. Since 14 November 2006, Iran has continued to operate single machines, as well as the 10-, 24- and 164-machine cascades, at the Pilot Fuel Enrichment Plant (PFEP), and to feed UF<sub>6</sub> intermittently into these machines. Between 2 November 2006 and 17 February 2007, a total of approximately 66 kg of UF<sub>6</sub> was declared by Iran as having been fed into the process and enriched to levels below 5% U-235. The environmental sample results thus far indicate a maximum enrichment of 4.2% U-235 in the first 164-machine cascade (GOV/2006/64, para. 4).

5. The Agency has completed its evaluation of the physical inventory verification (PIV) of nuclear material at PFEP carried out between 16 and 18 September 2006 (GOV/2006/64, para. 3), and has concluded that the inventory of nuclear material, as declared by Iran, was consistent with the results of the PIV.

6. On 18 December 2006, Iran provided Agency inspectors access to operating records concerning the product and tails assay at PFEP (GOV/2006/64, para. 4). During meetings held in Iran between 15 and 18 January 2007, the Agency sought additional clarification from Iran on the information provided by it, which clarification is still pending.

7. During the meetings in Iran in January 2007, Iran informed the Agency of its plan to start feeding UF<sub>6</sub> into the cascades installed at the Fuel Enrichment Plant (FEP) by the end of February 2007, to continue progressively with the installation of the 18 cascades of the 3000-machine hall and to bring them gradually into operation by May 2007. The Agency recalled the safeguards measures that needed to be implemented at FEP (GOV/2006/53, para. 6), and reiterated that such measures needed to be in place prior to the introduction of nuclear material into the facility. The Agency also again raised with Iran the need for remote monitoring at FEP and PFEP as one of those required measures.

8. In a letter dated 23 January 2007, Iran declined to agree at this stage on the use of remote monitoring, and requested the Agency to provide a detailed legal basis for the implementation of remote monitoring, as well as examples of where such measures were already being implemented in sensitive facilities in other States. The Agency provided clarifications to Iran in a letter dated 9 February 2007 and is awaiting Iran's response. In the meantime, the Agency agreed to interim verification arrangements at FEP, involving frequent inspector access but not remote monitoring, provided that these arrangements were in place before Iran started feeding UF<sub>6</sub> into the cascades. Iran was informed that these arrangements (which are now in place) would be valid only for as long as the number of machines installed at FEP did not exceed 500, and that, once that number was exceeded, all required safeguards measures would need to be implemented.

9. During the design information verification (DIV) carried out at FEP on 17 February 2007, Agency inspectors were informed that two 164-machine cascades had been installed and were operating under vacuum and that another two 164-machine cascades were in the final stages of installation. In light of this, in a letter dated 19 February 2007, the Agency requested that arrangements be made for the relocation of cameras into the cascade hall during the Agency's next visit to FEP, which is scheduled to take place between 3 and 5 March 2007. The issue of remote monitoring remains to be resolved.

10. During January and February 2007, the Agency collected baseline environmental samples, and began the installation of containment and surveillance measures, at FEP. On 31 January 2007, Iran transferred approximately 8.7 t of natural UF<sub>6</sub> in a container from the Uranium Conversion Facility (UCF) to FEP and connected the container to the feed autoclave, which is under Agency seal. As of 17 February 2007, no UF<sub>6</sub> had been fed into the process at FEP.

11. The Agency has no information to report regarding the assembly of centrifuges, or the manufacture of centrifuge components or associated equipment in Iran. However, Iran is pre-treating rotors for FEP at PFEP.

## **B. Reprocessing Activities**

12. The Agency has been monitoring the use of hot cells at the Tehran Research Reactor (TRR) and at the Molybdenum, Iodine and Xenon Radioisotope Production Facility, and the construction of hot cells at the Iran Nuclear Research Reactor (IR-40) at Arak, through inspections, DIV and analysis of satellite imagery. There are no indications of ongoing reprocessing activities at those facilities, or at any other declared facilities in Iran.

## **C. Heavy Water Related Projects**

13. On 29 January 2007, the Agency carried out a DIV at the IR-40 Reactor, where, it was noted, civil construction is ongoing. Satellite imagery indicates that the operation of the Heavy Water Production Plant is also continuing.

## **D. Outstanding Issues**

14. On 15 February 2007, the Agency wrote to Iran inquiring whether it intended to take any action to resolve the outstanding issues, to suspend the activities identified in Security Council resolution 1737 (2006), and to ratify the Additional Protocol. In its reply dated 19 February 2007, Iran reiterated its “full readiness and willingness to negotiate on the modality for the resolution of the outstanding issues with the IAEA, subject to the assurances for dealing with the issues in the framework of the Agency, without the interference of the United Nations Security Council”.

### **D.1. Enrichment Programme**

#### **D.1.1. Contamination**

15. The issue of the source(s) of low enriched uranium (LEU) and high enriched uranium (HEU) particles found at locations where Iran has declared that centrifuge components had been manufactured, used and/or stored remains unresolved (GOV/2006/53, para. 11). Particle contamination similar to that in Iran was also detected in samples taken from centrifuge equipment and components found in the Libyan Arab Jamahiriya which are said to have originated from the same country. The Agency has received additional information from the country from which the components originated. This information, however, does not fully explain the presence of some of the LEU and HEU particles. While this information has been helpful, existing measurement and evaluation methodologies do not permit a clear determination of the origin of the HEU or LEU contamination on the basis of the information currently available to the Agency from Iran and elsewhere. Therefore, verification of the correctness and completeness of Iran's declarations in this regard can progress only with a full understanding of the scope and chronology of Iran's centrifuge enrichment programme, which can only be achieved through the implementation by Iran of the Additional Protocol and required transparency measures.

16. In a letter dated 30 November 2006, Iran agreed to permit the Agency to re-sample equipment at the technical university in Tehran where a small number of natural uranium (NU) and HEU particles were found on samples collected in January 2006 (GOV/2006/53, para. 24). The re-sampling was carried out on 22 December 2006, the results of which showed NU and LEU particle contamination. The Agency is awaiting clarification by Iran with regard to the origin of the uranium particle contamination found in the January and December 2006 samples.

17. Iran has not yet responded to the Agency's long outstanding requests for clarification concerning, and access to carry out further environmental sampling of, other equipment and materials related to the Physics Research Centre (PHRC); nor has Iran agreed to permit the Agency to interview another former Head of the PHRC.

### **D.1.2. Acquisition of P-1 and P-2 Centrifuge Technology**

18. Iran has not made available to the Agency any new information concerning its P-1 or P-2 centrifuge programmes (GOV/2006/53, paras 12–13).

## **D.2. Uranium Metal**

19. Iran has still not provided a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (GOV/2006/53, para. 14). The document remains under Agency seal, however, and is accessible to Agency inspectors.

## **D.3. Plutonium Experiments**

20. The Agency has continued to seek clarification from Iran about its plutonium separation experiments (GOV/2006/53, paras 15–17). During a meeting on 17 January 2007, the Agency reminded Iran of the outstanding inconsistencies relating to the plutonium experiments and indicated that, unless additional information was provided by Iran, this issue could not be resolved satisfactorily. Iran stated that no other relevant information was available. Verification of the completeness and correctness of Iran's declarations in this regard can progress only through the implementation of the Additional Protocol and required transparency measures.

21. During the 17 January 2007 meeting, the Agency also discussed the presence of HEU particles found as a result of the analysis of environmental samples taken from the spent fuel containers at the Karaj Waste Storage Facility (GOV/2006/53, para. 17), as well as the additional analytical results, communicated to Iran in a letter dated 12 January 2007, from environmental samples collected from similar spent fuel containers located at the Tehran Nuclear Research Centre (TNRC). Iran reiterated its position that the HEU contamination found in the containers located at Karaj originated from leaking reactor fuel assemblies taken from TRR. Following receipt from Iran of a letter dated 28 January 2007, in which Iran reconfirmed its position with respect to the source of HEU contamination, the Agency again requested, in a letter dated 9 February 2007, detailed information and supporting documentation with respect to the reactor fuel assemblies.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

22. During the conversion campaign at UCF, which was started in June 2006, a total of 110 t of uranium in the form of uranium ore concentrate was fed into the process. The operator is scheduled to carry out an annual physical inventory in February 2007, which will be verified by the Agency in

March 2007. As of the end of January 2007, approximately 175 t of uranium in the form of UF<sub>6</sub> had been produced since the commissioning of UCF. All UF<sub>6</sub> produced remains under Agency containment and surveillance measures.

## **E.2. Designation of Inspectors**

23. On 17 January 2007, the Agency received from Iran a letter informing the Agency that Iran was not in a position to approve the designation of 10 inspectors proposed as replacements for inspectors who had left the Agency and objecting to the continued designation of an additional 38 inspectors previously designated for Iran. In a Note Verbale dated 23 January 2007, the Agency expressed its regret over Iran's decision and requested Iran to reconsider it. The Agency informed Iran that its decision would lead to diminished operational flexibility and less efficient use of resources. The Agency has received no reply from Iran in this regard.

## **E.3. Other Matters**

24. There are no new developments to report with respect to Iran's uranium mining activities or its experiments involving polonium (GOV/2005/67, paras 26–31 and 34).

## **F. Transparency Measures**

25. Iran has not agreed to any of the required transparency measures, which are essential for the clarification of certain aspects of the scope and nature of its nuclear programme. In addition to the measures mentioned above, these include discussions about information provided to the Agency concerning alleged studies related to the so-called Green Salt Project concerning the conversion of uranium dioxide into UF<sub>4</sub> (known as "green salt"), to high explosives testing and to the design of a missile re-entry vehicle (GOV/2006/64, para. 19).

## **G. Summary**

26. Pursuant to its NPT Safeguards Agreement, Iran has been providing the Agency with access to declared nuclear material and facilities, and has provided the required nuclear material accountancy reports in connection with such material and facilities.

27. The Agency is able to verify the non-diversion of declared nuclear material in Iran. The Agency remains unable, however, to make further progress in its efforts to verify fully the past development of Iran's nuclear programme and certain aspects relevant to its scope and nature. Hence, the Agency is unable to verify the absence of undeclared nuclear material and activities in Iran unless Iran addresses the long outstanding verification issues through the implementation of the Additional Protocol (which it signed on 18 December 2003, but has not yet brought into force) and the required transparency measures.

28. Iran has not suspended its enrichment related activities. Iran has continued with the operation of PFEP. It has also continued with the construction of FEP, including the installation of cascades, and has transferred UF<sub>6</sub> to FEP. Iran has also continued with its heavy water related projects. Construction of the IR-40 Reactor, and operation of the Heavy Water Production Plant, are continuing. In contrast, there has been no indication of reprocessing related activities at any declared sites in Iran.

29. As underscored by the Director General at the meeting of the Board of Governors in November 2006 (GOV/OR. 1174, paras 86–94), given the existence in Iran of activities undeclared to the Agency for 20 years, it is necessary for Iran to enable the Agency, through maximum cooperation and transparency, to fully reconstruct the history of Iran's nuclear programme. Without such

cooperation and transparency, the Agency will not be able to provide assurances about the absence of undeclared nuclear material and activities in Iran or about the exclusively peaceful nature of that programme.

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

## III

(Acts adopted under the EU Treaty)

## ACTS ADOPTED UNDER TITLE V OF THE EU TREATY

## COUNCIL COMMON POSITION 2007/140/CFSP

of 27 February 2007

## concerning restrictive measures against Iran

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 15 thereof,

Whereas:

- (1) On 23 December 2006, the United Nations Security Council adopted Resolution 1737 (2006) (UNSCR 1737 (2006)), urging Iran to suspend without further delay some proliferation sensitive nuclear activities and introducing certain restrictive measures against Iran.
  - (2) On 22 January 2007, the Council of the European Union welcomed the measures contained in UNSCR 1737 (2006) and called on all countries to implement them in full and without delay.
  - (3) UNSCR 1737 (2006) prohibits the direct or indirect supply, sale or transfer to Iran of 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. These items, materials, equipment, goods and technology are contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists.
  - (4) UNSCR 1737 (2006) also prohibits the provision of technical assistance or training, financial assistance, investment, brokering or other services in relation to items subject to the export prohibition. The Council considers it appropriate to extend this prohibition to all items contained in the Nuclear Suppliers Group and the Missile Technology Control Regime lists and considers that these prohibitions should also cover financing.
  - (5) UNSCR 1737 (2006) provides that the export of certain further items should also be prohibited if it is determined that they would contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems, or to activities about which the IAEA has expressed concerns;
- the export of such items should therefore be subject to authorisation by the competent authorities of the Member States.
- (6) UNSCR 1737 (2006) also prohibits the procurement from Iran of the items covered by the above mentioned export prohibition.
  - (7) UNSCR 1737 (2006) calls upon Member States to exercise vigilance regarding the entry into, or transit through, their territories of persons engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, as designated in the Annex to UNSCR 1737 (2006) and of additional persons designated by the Security Council or the Committee established pursuant to paragraph 18 of UNSCR 1737 (2006) ('the Committee').
  - (8) In line with the Council conclusions of 22 January 2007 and with the objectives of UNSCR 1737 (2006), restrictions on admission should be applied in respect of the persons designated by the Security Council or the Committee, as well as of additional persons, using the same criteria as those applied by the Security Council or the Committee to identify the persons concerned.
  - (9) UNSCR 1737 (2006) furthermore imposes a freezing of funds, other financial assets and economic resources, belonging to, owned, held or controlled, directly or indirectly, by the 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; it also imposes an obligation that no funds, financial assets or economic resources be made available to, or for the benefit of, such persons or entities.

- (10) In line with the Council conclusions of 22 January 2007 and in order to fulfil the objectives of UNSCR 1737 (2006), the freezing referred to in recital 9 should also be applicable to additional persons and entities, as determined by the Council using the same criteria as those applied by the Security Council or the Committee to identify the persons or entities concerned.
- (11) UNSCR 1737 (2006) calls upon all States to exercise vigilance and prevent specialised teaching or training of Iranian nationals of disciplines which would contribute to Iran's nuclear proliferation sensitive activities and development of nuclear weapon delivery systems.
- (12) Action by the Community is needed in order to implement certain measures,

HAS ADOPTED THIS COMMON POSITION:

#### *Article 1*

1. The direct or indirect supply, sale or transfer of the following items, materials, equipment, goods and technology, including software, to, or for the use in, or benefit of, Iran, by nationals of Member States or through the territories of Member States, or using their flag vessels or aircraft, shall be prohibited whether originating or not in their territories:

- (a) items, materials, equipment, goods and technology contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists;
- (b) any additional items, materials, equipment, goods and technology, determined by the Security Council or the Committee, which could contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems;

2. It shall also be prohibited to:

- (a) provide technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, materials, equipment, goods and technology, directly or indirectly to any person, entity or body in, or for use in Iran;
- (b) provide financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for

any sale, supply, transfer or export of these items and technologies, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in, Iran;

- (c) participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibition referred to in points (a) and (b).

3. The procurement by nationals of Member States, or using their flagged vessels or aircraft, of the items, materials, equipment, goods and technology referred to in paragraph 1 from Iran shall be prohibited, whether or not originating in the territory of Iran.

#### *Article 2*

1. The direct or indirect supply, sale or transfer to, or for the use in, or benefit of, Iran, by nationals of Member States or through the territories of Member States, or using their flag vessels or aircraft, of items, materials, equipment, goods and technology, including software, not covered by Article 1, that could contribute to enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding, shall be subject to authorisation on a case-by-case basis by the competent authorities of the exporting Member State. The European Community shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. The provision of:

- (a) technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, directly or indirectly, to any person, entity or body in, or for use in, Iran;
- (b) financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of these items, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in, Iran;

shall also be subject to an authorisation of the competent authority of the exporting Member State.

3. The competent authorities of the Member States shall not grant any authorisation for any supply, sale or transfer of the items, materials, equipment, goods and technology referred to in paragraph 1 if they determine that the sale, supply, transfer or export concerned or the provision of the service concerned would contribute to the activities referred to in paragraph 1.

#### Article 3

The measures imposed by Article 1(1) and (2) 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.

#### Article 4

1. Member States shall take the necessary measures to prevent the entry into, or transit through, their territories of:

- (a) persons listed in the Annex to UNSCR 1737 (2006) as well as of additional persons designated by the Security Council or by the Committee in accordance with paragraph 10 of UNSCR 1737 (2006). These persons are listed in Annex I;
- (b) other persons not covered by Annex I that 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, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, as listed in Annex II.

2. Paragraph 1 shall not oblige a Member State to refuse its own nationals entry into its territory.

3. Paragraph 1 shall be without prejudice to cases where a Member State is bound by an obligation of international law, namely:

- (i) as a host country of an international intergovernmental organisation;
- (ii) as a host country to an international conference convened by, or under the auspices of, the United Nations;
- (iii) under a multilateral agreement conferring privileges and immunities;
- (iv) under the 1929 Treaty of Conciliation (Lateran pact) concluded by the Holy See (State of the Vatican City) and Italy.

4. Paragraph 3 shall be considered as applying also in cases where a Member State is host country of the Organisation for Security and Cooperation in Europe (OSCE).

5. The Council shall be duly informed in all cases where a Member State grants an exemption pursuant to paragraph 3 or 4.

6. Member States may grant exemptions from the measures imposed in paragraph 1 where they determine that travel is justified on the grounds of:

- (i) urgent humanitarian need, including religious obligations,
- (ii) the necessity to meet the objectives of UNSCR 1737 (2006), including where Article XV of the IAEA Statute is engaged,
- (iii) attending intergovernmental meetings, including those promoted by the European Union, or hosted by a Member State holding the Chairmanship in office of the OSCE, where a political dialogue is conducted that directly promotes democracy, human rights and the rule of law in Iran.

7. A Member State wishing to grant exemptions referred to in paragraph 6 shall notify the Council thereof in writing. The exemption shall be deemed to be granted unless one or more of the Council Members raises an objection in writing within two working days of receiving notification of the proposed exemption. Should one or more of the Council members raise an objection, the Council, acting by a qualified majority, may decide to grant the proposed exemption.

8. In cases where, pursuant to paragraphs 3, 4 and 6, a Member State authorises the entry into, or transit through, its territory of persons listed in Annex I or II, the authorisation shall be limited to the purpose for which it is given and to the persons concerned thereby.

9. Member States shall notify the Committee of the entry into, or transit through, their territories of the persons set out in Annex I, if an exemption has been granted.

#### Article 5

1. All funds and economic resources which belong to, are owned, held or controlled, directly or indirectly, by:

(a) persons and entities designated in the Annex to UNSCR 1737 (2006) as well as those of additional persons and entities designated by the Security Council or by the Committee in accordance with Paragraph 12 of UNSCR 1737 (2006), such persons or entities being listed in Annex I,

(b) persons and entities not covered by Annex I that 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, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means, as listed in Annex II,

shall be frozen.

2. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of persons and entities referred to in paragraph 1.

3. Exemptions may be made for funds and economic resources which are:

(a) necessary to satisfy basic needs, including payment for food-stuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;

(b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;

(c) intended exclusively for payment of fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds and economic resources,

after notification by the Member State concerned to the Committee of the intention to authorise, where appropriate, access to such funds and economic resources and in the absence of a negative decision by the Committee within five working days of such notification.

4. Exemptions may also be made for funds and economic resources which are:

(a) necessary for extraordinary expenses, after notification by the Member State concerned to, and approval by, the Committee,

(b) the subject of a judicial, administrative or arbitral lien or judgement, in which case the funds and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement was entered before the date of UNSCR 1737 (2006), and is not for the benefit of a person or entity referred to in paragraph 1, after notification by the Member State concerned to the Committee.

5. Paragraph 2 shall not apply to the addition to frozen accounts of:

(a) interest or other earnings on those accounts; or

(b) payments to frozen accounts due under contracts, agreements or obligations that were concluded or arose before 23 December 2006,

provided that any such interest, other earnings and payments continue to be subject to paragraph 1.

6. Paragraph 1 shall not prevent a designated person or entity from making payment due under a contract entered into before the listing of such a person or entity, provided that the relevant Member State has 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 Article 1;

(b) the payment is not directly or indirectly received by a person or entity referred to in paragraph 1;

and after notification by the relevant Member State to the Committee of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds or economic resources for this purpose, 10 working days prior to such authorisation.

#### Article 6

Member States shall, in accordance with their national legislation, take the necessary measures to prevent specialised 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.

#### Article 7

1. The Council shall implement modifications to Annex I on the basis of the determinations made by the Security Council or by the Committee.

2. The Council, acting by unanimity upon proposals of Member States or the Commission, shall establish the list in Annex II and adopt modifications thereto.

#### Article 8

1. This Common Position shall be reviewed, amended or repealed as appropriate, notably in the light of relevant decisions by the UNSC.

2. The measures referred to in Articles 4 (1)(b) and 5(1)(b) shall be reviewed in regular intervals and at least every 12 months. They shall cease to apply in respect of the persons and entities concerned if the Council determines, in accordance with the procedure referred in Article 7(2), that the conditions for their application are no longer met.

#### Article 9

This Common Position shall take effect on the date of its adoption.

#### Article 10

This Common Position shall be published in the *Official Journal of the European Union*.

Done at Brussels, 27 February 2007.

For the Council  
The President  
P. STEINBRÜCK

## ANNEX I

**List of persons referred to in Article 4(1)(a) and of persons and entities referred to in Article 5(1)(a)**

## A. Natural Persons

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)
8. Gen. Hosein Salimi, Commander of the Air Force, IRGC (Pasdaran)
9. Ahmad Vahid Dastjerdi, Head of the AIO
10. Reza-Gholi Esmaeli, Head of Trade & International Affairs Dept, AIO
11. Bahmanyar Morteza Bahmanyar, Head of Finance & Budget Dept, AIO
12. Maj. Gen. Yahya Rahim Safavi, Commander, IRGC (Pasdaran)

## B. Entities

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)
  8. Shahid Hemmat Industrial Group (SHIG) (subordinate entity of AIO)
  9. Shahid Bagheri Industrial Group (SBIG) (subordinate entity of AIO)
  10. Fajr Industrial Group (formerly Instrumentation Factory Plant, subordinate entity of AIO)
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*ANNEX II*

**List of persons referred to in Article 4(1)(b) and of persons and entities referred to in Article 5(1)(b)**

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- ***Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council took note of the report by the Director General of the IAEA to the United Nations Security Council of 22 February 2007 and deplored the fact that Iran has not complied with the terms of UNSC Resolution 1737, as confirmed in that report. The Council noted in particular that Iran has failed to suspend all enrichment and enrichment-related activities and appears determined to pursue these activities on an even larger scale.

In the view of the Council the report clearly demonstrates Iran's disregard of the requirements of the international community expressed in the unanimous and legally binding UNSC Resolution 1737.

The Council reasserts its support for the UNSC process and underlines that the UNSC has expressed its intention in Resolution 1737 to adopt further appropriate measures under Article 41 Chapter VII of the United Nations Charter should Iran fail to comply. The Council urges the international community to act with the necessary firmness in support of this process.

The Council reaffirmed at the same time its continuing support for efforts to find a negotiated longterm solution to the Iranian nuclear issue. The Council seizes this opportunity to call once more upon Iran to open the way for negotiations by complying with the requirements as set out in Resolution 1737."

**Security Council**Distr.: General  
24 March 2007**Resolution 1747 (2007)****Adopted by the Security Council at its 5647th meeting on  
24 March 2007**

*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 therein, 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 non-proliferation 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 destabilizing 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 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) 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 Organisation (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 Organisation 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 Organisation (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 have 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 Ketabchi (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 Zahedi (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)

## 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 and the Security Council, and commit to continue this during these negotiations.
- Resume the implementation of the Additional Protocol.

### Areas of future cooperation to be covered in negotiations on a long-term agreement

#### 1. 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.

## **2. 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, including possible access to United States and European agricultural products, technology and farm equipment.

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**COUNCIL COMMON POSITION 2007/246/CFSP****of 23 April 2007****amending Common Position 2007/140/CFSP concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 15 thereof,

Whereas:

- (1) On 27 February 2007 the Council of the European Union adopted Common Position 2007/140/CFSP<sup>(1)</sup> concerning restrictive measures against Iran which implemented the United Nations Security Council Resolution 1737 (2006) ('UNSCR 1737 (2006)').
- (2) On 24 March 2007 the United Nations Security Council adopted Resolution 1747 (2007) ('UNSCR 1747 (2007)') that widened the scope of the restrictive measures imposed by UNSCR 1737 (2006).
- (3) UNSCR 1747 (2007) prohibits the procurement of arms and related materiel from Iran.
- (4) UNSCR 1747 (2007) furthermore calls upon all States to exercise vigilance and restraint in the direct or indirect supply, sale or transfer to Iran of conventional weapons as defined for the purpose of the United Nations Register on Conventional Arms as well as in the provision of technical assistance or training, financial assistance, investment, brokering or other services, and in 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. In line with these objectives of UNSCR 1747 (2007) as well as with the EU policy not to sell arms to Iran, the Council considers it appropriate to prohibit the supply, sale or transfer to Iran of all arms and related materiel, as well as the provision of related assistance, investment and services.
- (5) UNSCR 1747 (2007) extends financial and travel sanctions imposed by UNSCR 1737 (2006) to additional persons and entities engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems.
- (6) UNSCR 1747 (2007) furthermore 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 Iran, except for humanitarian and developmental purposes.
- (7) The Council has also identified persons and entities that fulfil the criteria set out in Articles 4(1)(b) and 5(1)(b) of Common Position 2007/140/CFSP. These persons and entities should therefore be listed in Annex II of that Common Position.
- (8) Common Position 2007/140/CFSP should be amended accordingly.
- (9) Action by the Community is needed in order to implement certain measures,

HAS ADOPTED THIS COMMON POSITION:

*Article 1*

Common Position 2007/140/CFSP is hereby amended as follows:

1. in Article 1(1), the following subparagraph (c) shall be added:

'(c) arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned. This prohibition shall not apply to non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the EU and its Member States in Iran.';

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49.

2. the following Article shall be inserted:

*Article 2*

This Common Position shall take effect on the date of its adoption.

*Article 3a*

Member States shall not enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions, except for humanitarian and developmental purposes.;

*Article 3*

This Common Position shall be published in the *Official Journal of the European Union*.

Done at Luxembourg, 23 April 2007.

3. Annexes I and II shall be replaced by the text appearing in Annexes I and II to this Common Position.

*For the Council*

*The President*

F.-W. STEINMEIER

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## ANNEX I

**List of persons referred to in Article 4(1)(a) and of persons and entities referred to in Article 5(1)(a)****A. ENTITIES**

- (1) Ammunition and Metallurgy Industries Group (AMIG) (alias Ammunition Industries Group). Other information: AMIG controls 7th of Tir, which is designated under UNSCR 1737 (2006) for its role in Iran's centrifuge programme. AMIG is in turn owned and controlled by the Defence Industries Organisation (DIO), which is designated under UNSCR 1737 (2006).
- (2) Atomic Energy Organisation of Iran (AEOI). Other information: involved in Iran's nuclear programme.
- (3) Bank Sepah and Bank Sepah International. Other information: Bank Sepah provides support for the Aerospace Industries Organisation (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG), both of which were designated under UNSCR 1737 (2006).
- (4) Cruise Missile Industry Group (alias Naval Defence Missile Industry Group). Other information: production and development of cruise missiles. Responsible for naval missiles including cruise missiles.
- (5) Defence Industries Organisation (DIO). Other information: (a) overarching MODAFL-controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme, (b) involved in Iran's nuclear programme.
- (6) Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC). Other information: these are parts of AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities. AEOI is designated under UNSCR 1737 (2006).
- (7) Fajr Industrial Group. Other information: (a) formerly Instrumentation Factory Plant, (b) subordinate entity of AIO, (c) involved in Iran's ballistic missile programme.
- (8) Farayand Technique. Other information: (a) involved in Iran's nuclear programme (centrifuge programme), (b) identified in reports from the International Atomic Energy Agency (IAEA).
- (9) Kala-Electric (alias Kalaye Electric). Other information: (a) provider for PFEP — Natanz, (b) Involved in Iran's nuclear programme.
- (10) Karaj Nuclear Research Centre. Other information: part of AEOI's research division.
- (11) Kavoshyar Company. Other information: subsidiary company of AEOI, which has sought glass fibres, vacuum chamber furnaces and laboratory equipment for Iran's nuclear programme.
- (12) Mesbah Energy Company. Other information: (a) provider for A40 research reactor — Arak, (b) involved in Iran's nuclear programme.
- (13) Novin Energy Company (alias Pars Novin). Other information: it operates within AEOI and has transferred funds on behalf of AEOI to entities associated with Iran's nuclear programme.
- (14) Parchin Chemical Industries. Other information: branch of DIO, which produces ammunition, explosives, as well as solid propellants for rockets and missiles.
- (15) Pars Aviation Services Company. Other information: this company maintains various aircraft including MI-171, used by Iranian Revolutionary Guard Corps (IRGC) Air Force.
- (16) Pars Trash Company. Other information: (a) involved in Iran's nuclear programme (centrifuge programme), (b) identified in IAEA reports.

- (17) Qods Aeronautics Industries. Other information: it produces unmanned aerial vehicles (UAVs), parachutes, para-gliders, para-motors, etc. IRGC has boasted of using these products as part of its asymmetric warfare doctrine.
- (18) Sanam Industrial Group. Other information: subordinate to AIO, which has purchased equipment on AIO's behalf for the missile programme.
- (19) 7th of Tir. Other information: (a) subordinate of DIO, widely recognised as being directly involved in Iran's nuclear programme, (b) involved in Iran's nuclear programme.
- (20) Shahid Bagheri Industrial Group (SBIG). Other information: (a) subordinate entity of AIO, (b) involved in Iran's ballistic missile programme.
- (21) Shahid Hemmat Industrial Group (SHIG). Other information: (a) subordinate entity of AIO, (b) involved in Iran's ballistic missile programme.
- (22) Sho'a' Aviation. Other information: it produces micro-lights which IRGC has claimed it is using as part of its asymmetric warfare doctrine.
- (23) Ya Mahdi Industries Group. Other information: subordinate to AIO, which is involved in international purchases of missile equipment.

#### B. NATURAL PERSONS

- (1) Fereidoun **Abbasi-Davani**. Other information: Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics, working closely with Mohsen Fakhrizadeh-Mahabadi.
- (2) Dawood **Agha-Jani**. Function: Head of the PFEP (Natanz). Other information: person involved in Iran's nuclear programme.
- (3) Ali Akbar **Ahmadian**. Title: Vice Admiral. Function: Chief of Iranian Revolutionary Guard Corps (IRGC) Joint Staff.
- (4) Behman **Asgarpour**. Function: Operational Manager (Arak). Other information: person involved in Iran's nuclear programme.
- (5) Bahmanyar Morteza **Bahmanyar**. Function: Head of Finance & Budget Dept, AIO. Other information: person involved in Iran's ballistic missile programme.
- (6) Ahmad Vahid **Dastjerdi**. Function: Head of the AIO. Other information: person involved in Iran's ballistic missile programme.
- (7) Ahmad **Derakhshandeh**. Function: Chairman and Managing Director of Bank Sepah. Other information: Bank Sepah provides support for the AIO and subordinates, including SHIG and SBIG, both of which were designated under UNSCR 1737 (2006).
- (8) Reza-Gholi **Esmaeli**. Function: Head of Trade & International Affairs Dept, AIO. Other information: person involved in Iran's ballistic missile programme.
- (9) Mohsen **Fakhrizadeh-Mahabadi**. Other information: Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). IAEA has asked to interview him about the activities of the PHRC over the period he was head, but Iran has refused.
- (10) Mohammad **Hejazi**. Title: Brigadier General. Function: Commander of Bassij resistance force.
- (11) Mohsen **Hojati**. Function: Head of Fajr Industrial Group. Other information: Fajr Industrial Group is designated under UNSCR 1737 (2006) for its role in the ballistic missile programme.

- (12) Mehrdada Akhlaghi **Ketabachi**. Function: Head of SBIG. Other information: SBIG is designated under UNSCR 1737 (2006) for its role in the ballistic missile programme.
  - (13) Ali Hajinia **Leilabadi**. Function: Director General of Mesbah Energy Company. Other information: person involved in Iran's nuclear programme.
  - (14) Naser **Maleki**. Function: Head of SHIG. Other information: SHIG is designated under UNSCR 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.
  - (15) Jafar **Mohammadi**. Function: Technical Adviser to the AEOI (in charge of managing the production of valves for centrifuges). Other information: person involved in Iran's nuclear programme.
  - (16) Ehsan **Monajemi**. Function: Construction Project Manager, Natanz. Other information: person involved in Iran's nuclear programme.
  - (17) Mohammad Mehdi Nejad **Nouri**. Title: Lt Gen. Function: Rector of Malek Ashtar University of Defence Technology. Other information: The chemistry department of Ashtar University of Defence Technology is affiliated to MODALF and has conducted experiments on beryllium. Person involved in Iran's nuclear programme.
  - (18) Mohammad **Qannadi**. Function: AEOI Vice President for Research & Development. Other information: Person involved in Iran's nuclear programme.
  - (19) Amir **Rahimi**. Function: Head of Esfahan Nuclear Fuel Research and Production Centre. Other information: Esfahan Nuclear Fuel Research and Production Centre is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities.
  - (20) Morteza **Rezaie**. Title: Brigadier General. Function: Deputy Commander of IRGC.
  - (21) Morteza **Safari**. Title: Rear Admiral. Function: Commander of IRGC Navy.
  - (22) Yahya Rahim **Safavi**. Title: Maj. Gen. Function: Commander, IRGC (Pasdaran). Other information: person involved in both Iran's nuclear and ballistic missile programmes.
  - (23) Seyed Jaber **Safdari**. Other information: Manager of the Natanz Enrichment Facilities.
  - (24) Hosein **Salimi**. Title: General. Function: Commander of the Air Force, IRGC (Pasdaran). Other information: person involved in Iran's ballistic missile programme.
  - (25) Qasem **Soleimani**. Title: Brigadier General. Function: Commander of Qods force.
  - (26) Mohammad Reza **Zahedi**. Title: Brigadier General. Function: Commander of IRGC Ground Forces.
  - (27) General **Zolqadr**. Function: Deputy Interior Minister for Security Affairs, IRGC officer.'
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## ANNEX II

## 'A. Natural persons

	Name	Identifying information	Reasons
1.	Reza AGHAZADEH	DoB: 15.3.1949 Passport number: S4409483 valid 26.4.2000-27.4.2010 Issued: Tehran Place of birth: Khoy	Head of the Atomic Energy Organisation of Iran (AEOI). The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
2.	Amir Moayyed ALAI		Involved in managing the assembly and engineering of centrifuges. Iran is required by the IAEA Board and Security Council to suspend all enrichment-related activities. This includes all centrifuge-related work. On 27 August 2006, Alai received a special award from President Ahmadinejad for his role in managing the assembly and engineering of centrifuges.
3.	Mohammed Fedai ASHIANI		Involved in the production of ammonium uranyl carbonate (AUC) and the management of the Natanz enrichment complex. Iran is required to suspend all enrichment-related activities. On 27 August 2006, Ashiani received a special award from President Ahmadinejad for his role in the AUC production process and for his role in the management and engineering design for the enrichment complex at Natanz (Kashan) site.
4.	Haleh BAKHTIAR		Involved in the production of magnesium at a concentration of 99,9 %. On 27 August 2006, Bakhtiar received a special award from President Ahmadinejad for her role in producing magnesium at a concentration of 99,9 %. Magnesium of this purity is used to produce uranium metal, which can be cast into material for a nuclear weapon. Iran has refused to provide the IAEA access to a document on the production of uranium metal hemispheres, only applicable for nuclear weapons use.
5.	Morteza BEHZAD		Involved in making centrifuge components. Iran is required to suspend all enrichment-related activities. This includes all centrifuge-related work. On 27 August 2006, Behzad received a special award from President Ahmadinejad for his role making complex and sensitive centrifuge components.
6.	Dr Hoseyn (Hossein) FAQIHIAN	Address of NFPC: AEOI-NFPD, PO Box: 11365-8486, Tehran/Iran	Deputy and Director-General of the Nuclear Fuel Production and Procurement Company (NFPC), part of the AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006). The NFPC involved in enrichment-related activities that Iran is required by the IAEA Board and Security Council to suspend.

	Name	Identifying information	Reasons
7.	Seyyed Hussein (Hossein) HUSSEINI (HOSSEINI)		AEOI official involved in the heavy water research reactor (IR40) project at Arak. UNSCR 1737 (2006) required Iran to suspend all work on heavy-water-related projects.
8.	M. Javad KARIMI SABET		Head of the Novin Energy Company. In August 2006 Karimi Sabet received an award from President Ahmadinejad for his role in designing, producing, installing and commissioning nuclear equipment at the Natanz site.
9.	Said Esmail KHALILIPOUR		Deputy Head of AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
10.	Ali Reza KHANCHI	Address of NRC: AEOI-NRC PO Box: 11365-8486 Tehran/Iran Fax: (+9821) 8021412	Head of AEOI's Tehran Nuclear Research Centre. The IAEA is continuing to seek clarification from Iran about plutonium separation experiments carried out at the TNRC, including about the presence of HEU particles in environmental samples taken at the Karaj Waste Storage Facility where containers used to store depleted uranium targets used in those experiments are located. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
11.	Hamid-Reza MOHAJERANI		Involved in production management at the Uranium Conversion Facility (UCF) at Esfahan. On 27 August 2006, Mohajerani received a special award from President Ahmadinejad for his role in production management at the UCF and in planning, building and installing the UF <sub>6</sub> unit (UF <sub>6</sub> is the feed material for enrichment).
12.	Houshang NOBARI		Involved in the management of the Natanz enrichment complex. Iran is required by the IAEA Board and Security Council to suspend all enrichment-related activities. These include activities at the enrichment complex at Natanz (Kashan). On 27 August 2006, Nobari received a special award from President Ahmadinejad for his role in the successful management and execution of the Natanz (Kashan) site plan.
13.	Dr Javad RAHIQI		Head of AEOI's Esfahan Nuclear Technology Centre. This oversees the uranium conversion plant at Esfahan. Iran is required by the IAEA Board and the Security Council to suspend all enrichment-related activities. This includes all uranium conversion work. AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).

	Name	Identifying information	Reasons
14.	Abbas RASHIDI		Involved in enrichment work at Natanz. Iran is required by the IAEA Board and Security Council to suspend all enrichment-related activities. On 27 August 2006, Rashidi received a special award from President Ahmadinejad for his management and notable role in the successful operation of the 164-centrifuge enrichment cascade at Natanz.
15.	Abdollah SOLAT SANA		Managing Director of the Uranium Conversion Facility (UCF) in Esfahan. This is the facility that produces the feed material (UF <sub>6</sub> ) for the enrichment facilities at Natanz. On 27 August 2006, Solat Sana received a special award from President Ahmadinejad for his role.

#### B. Entities

	Name	Identifying information	Reasons
1.	Aerospace Industries Organisation, AIO	AIO, 28 Shian 5, Lavizan, Tehran	AIO oversees Iran's production of missiles, including Shahid Hemmat Industrial Group, Shahid Bagheri Industrial Group and Fajr Industrial Group, which were all designated under UNSCR 1737 (2006). The head of AIO and two other senior officials were also designated under UNSCR 1737 (2006).
2.	Armament Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO (Defence Industries Organisation).
3.	Defence Technology and Science Research Centre (DTSRC) — also known as the Educational Research Institute/Moassese Amozeh Va Tahgiaghati (ERI/MAVT Co.)	Pasdaran Av., PO Box 19585/777, Tehran	Responsible for R&D. A subsidiary of the DIO. The DTSRC handles much of the procurement for the DIO.
4.	Jaber Ibn Hayan	AEOI-JIHRD PO Box: 11365-8486; Tehran; 84, 20th Av. Entehaye Karegar Shomali Street; Tehran	Jaber Ibn Hayan is an AEOI (Atomic Energy Organisation of Iran) laboratory involved in fuel-cycle activities. Located within the Tehran Nuclear Research Centre (TNRC), it was not declared by Iran under its safeguards agreement prior to 2003, although conversion work was being carried out there.
5.	Marine Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.

	Name	Identifying information	Reasons
6.	Nuclear Fuel Production and Procurement Company (NFPC)	AEOI-NFPD, PO Box: 11365-8486, Tehran/Iran	Nuclear Fuel Production Division (NFPD) of AEOI is research and development in the field of nuclear fuel cycle including: uranium exploration, mining, milling, conversion and nuclear waste management. The NFPC is the successor to the NFPD, the subsidiary company under the AEOI that runs research and development in the nuclear fuel cycle including conversion and enrichment.
7.	Special Industries Group	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.
8.	TAMAS Company		TAMAS is involved in enrichment-related activities, which Iran is required by the IAEA Board and Security Council to suspend. TAMAS is the overarching body, under which four subsidiaries have been established, including one doing uranium extraction to concentration and another in charge of uranium processing, enrichment and waste.'

# Board of Governors

**GOV/2007/22**

Date: 23 May 2007

Original: English

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**For official use only**

Item 6(e) of the provisional agenda  
(GOV/2007/18)

## Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions<sup>1</sup> in the Islamic Republic of Iran

*Report by the Director General*

1. On 24 March 2007, the United Nations Security Council adopted resolution 1747 (2007), in which the Council, inter alia:

- re-affirmed that the Islamic Republic of Iran (Iran) shall without further delay take the steps required by the Board of Governors in 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, affirmed its decision that Iran shall without further delay take the steps required in paragraph 2 of Security Council resolution 1737 (2006); and
- requested within 60 days a report from the Director General on whether Iran had 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 Board of Governors and with the other provisions of resolution 1737 (2006) and resolution 1747 (2007), to the Board and in parallel to the Security Council for its consideration.

2. This report, which is being submitted to the Board, and in parallel to the Security Council, covers developments since the Director General's report of 22 February 2007<sup>2</sup> on the implementation in Iran of its NPT Safeguards Agreement and relevant Security Council resolutions.

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<sup>1</sup> Security Council resolutions 1696 (2006), 1737 (2006) and 1747 (2007).

<sup>2</sup> GOV/2007/8.

## **A. Enrichment Related Activities**

3. Since 22 February 2007, Iran continued to test single machines, as well as the 10- and 20-machine cascades and the two 164-machine cascades (one of which Iran has since disconnected), at the Pilot Fuel Enrichment Plant (PFEP). Between 21 February and 17 March 2007, Iran fed 4.8 kg of UF<sub>6</sub> into the single machines and the 10-machine cascade.

4. In the light of the increasing number of installed centrifuges at the Fuel Enrichment Plant (FEP),<sup>3</sup> on 22 March 2007, Iran agreed to a modified safeguards approach for that facility which includes, in addition to a monthly interim inspection and design information verification visit, a combination of, inter alia, unannounced inspections and containment and surveillance measures (GOV/INF/2007/10). The first unannounced inspection was carried out on 13 May 2007.

5. Since the Director General's last report, Iran has fed approximately 260 kg of UF<sub>6</sub> into the cascades at FEP. Iran has declared that it has reached enrichment levels up to 4.8% U-235 at FEP, which the Agency is in the process of verifying. On 13 May 2007, eight 164-machine cascades were operating simultaneously and were being fed with UF<sub>6</sub>; two other similar cascades had been vacuum tested and three more were under construction.

6. Since early 2006, the Agency has not received the type of information that Iran had previously been providing, including pursuant to the Additional Protocol, for example information relevant to the assembly of centrifuges, the manufacture of centrifuge components or associated equipment and research and development of centrifuges or enrichment techniques.

## **B. Reprocessing Activities**

7. The Agency has been monitoring the use of hot cells at the Tehran Research Reactor (TRR) and at the Molybdenum, Iodine and Xenon Radioisotope Production Facility (the MIX Facility) through inspections and design information verification. There are no indications of ongoing reprocessing activities at those facilities. The follow-up on the construction of hot cells at the Iran Nuclear Research Reactor (IR-40 Reactor) at Arak has been limited, however, to the analysis of satellite imagery since, as of 13 April 2007, Iran has not provided the Agency with access to the reactor site to carry out design information verification (GOV/INF/2007/10) (see Section E.2 below).

## **C. Heavy Water Related Projects**

8. Satellite imagery indicates that civil construction of the IR-40 reactor and the operation of the Heavy Water Production Plant are continuing.

## **D. Outstanding Issues**

9. Iran has not responded to the Agency's long standing requests related to:
- the uranium contamination at the Physics Research Centre (GOV/2007/8, paras 16–17);
  - Iran's acquisition of P-1 and P-2 centrifuge technology (GOV/2007/8, para. 18); and
  - the documentation concerning uranium metal and its casting into hemispheres (GOV/2007/8, para. 19).

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<sup>3</sup> GOV/2007/8, para. 8.

10. On 18 April and 2 May 2007, Iran provided information regarding the two leaking reactor fuel assemblies taken from TRR that, according to Iran, were the source of the high enriched uranium contamination found in environmental samples taken at the Karaj Waste Storage Facility (GOV/2007/8, para. 21). The Agency is currently analysing this information.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

11. The Agency conducted the annual physical inventory verification (PIV) at the Uranium Conversion Facility (UCF) in March 2007. During the PIV, Iran presented 269 tonnes of UF<sub>6</sub> for Agency verification, all of which remains under Agency containment and surveillance measures. The Agency is evaluating the results of the PIV.

### **E.2. Design Information**

12. On 29 March 2007, Iran informed the Agency that it had “suspended” the implementation of the modified Code 3.1, which had been “accepted in 2003, but not yet ratified by the parliament”, and that it would “revert” to the implementation of the 1976 version of Code 3.1, which only requires the submission of design information for new facilities “normally not later than 180 days before the facility is scheduled to receive nuclear material for the first time.” In a letter dated 30 March 2007, the Agency requested Iran to reconsider its decision.<sup>4</sup>

13. Iran has taken issue with the Agency’s right to verify design information which had been provided by Iran pursuant to the modified Code 3.1 concerning the IR-40 reactor at Arak.<sup>5</sup> The basis for Iran’s contention is that, under the 1976 version of Code 3.1, to which it had “reverted”, the verification of such information is not justified, given the preliminary construction stage of the facility (described as “far beyond receiving nuclear material”) and the Agency’s previous activities at Arak.

14. In accordance with Article 39 of Iran’s Safeguards Agreement, agreed Subsidiary Arrangements cannot be modified unilaterally; nor is there a mechanism in the Safeguards Agreement for the suspension of provisions agreed to in Subsidiary Arrangements. Moreover, Code 3.1 is related to the provision of design information, not to the frequency or timing of verification by the Agency of such information. The Agency’s right to verify design information provided to it is a continuing right,<sup>6</sup> which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility.

### **E.3. Other Matters**

15. On 29 April 2007, Iran informed the Agency that the Fuel Manufacturing Plant (FMP) would receive natural uranium oxide powder soon in preparation for “preliminary process tests”.

16. There are a number of other matters about which the Agency has received no new information, such as Iran’s uranium mining activities (GOV/2005/67, paras 26–31), its experiments involving polonium (GOV/2005/67, para. 34), and the designation of inspectors to Iran (GOV/2007/8, para. 23).

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<sup>4</sup> Both letters are reproduced in GOV/INF/2007/8.

<sup>5</sup> Iran’s letters are dated 13 April 2007, 25 April 2007, and 14 May 2007; the Agency’s replies are dated 18 April 2007 (GOV/INF/2007/10) and 7 May 2007.

<sup>6</sup> GOV/2554/Att.2/Rev. 2.

The Director General will report further on these matters as and when the Agency receives any such information.

## **F. Transparency Measures**

17. Iran has not agreed to any of the required transparency measures, which are essential for the clarification of certain aspects of the scope and nature of its nuclear programme. These measures include discussions about information provided to the Agency concerning alleged studies related to the conversion of uranium dioxide into UF<sub>4</sub>, to high explosives testing and to the design of a missile re-entry vehicle (GOV/2007/8, para. 25).

## **G. Summary**

18. Although the Agency is able to verify the non-diversion of declared nuclear material in Iran, the Agency remains unable to make further progress in its efforts to verify certain aspects relevant to the scope and nature of Iran's nuclear programme. Pursuant to its NPT Safeguards Agreement, Iran has been providing the Agency with access to declared nuclear material, and has provided the required nuclear material accountability reports in connection with declared nuclear material and facilities. Iran has, however, ceased to implement the modified Code 3.1 of the Subsidiary Arrangements with respect to the early provision of design information, and has not permitted the Agency to perform design information verification at the IR-40 reactor.

19. As previously stated, unless Iran addresses the long outstanding verification issues, and implements the Additional Protocol and the required transparency measures, the Agency will not be able to fully reconstruct the history of Iran's nuclear programme and provide assurances about the absence of undeclared nuclear material and activities in Iran or about the exclusively peaceful nature of that programme. It should be noted that because the Agency has not been receiving for over a year information that Iran used to provide, including under the Additional Protocol, the Agency's level of knowledge of certain aspects of Iran's nuclear related activities has deteriorated.

20. Iran has not suspended its enrichment related activities. Iran has continued with the operation of PFEP. It has also continued with the construction of FEP and has started feeding cascades with UF<sub>6</sub>. Iran has also continued with its heavy water related projects. Construction of the IR-40 reactor and the operation of the Heavy Water Production Plant are continuing.

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

- ***Iran – Council Conclusions***

The Council adopted the following conclusions:

"The Council deplores the fact that Iran has still not complied with its international obligations as reiterated in United Nations Security Council (UNSC) Resolution 1747. Iran has instead continued to drive forward its nuclear programme as well as further restricting its cooperation with the IAEA, thus creating further doubts as to the exclusively peaceful nature of its programme. Whilst reaffirming its commitment to finding a diplomatic solution that addresses the international community's concerns, the Council also reasserts its full support for the UNSC and its resolve, as expressed in Resolution 1747, to adopt further appropriate measures under Article 41 Chapter VII of the United Nations Charter should Iran continue not to comply with its international obligations.

The Council again urges Iran to respond positively to the proposals put forward by the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, with the support of the High Representative of the European Union, in their Statement of 24 March 2007. The Council also reaffirms its support for the exploratory efforts of the High Representative of the EU, Javier Solana with Dr. Ali Larijani and strongly urges Iran to engage constructively in these consultations and to create the necessary conditions for negotiations to resume."

# Board of Governors

**GOV/2007/48**  
Date: 30 August 2007

Original: English

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**For official use only**

Item 7(d) of the provisional agenda  
(GOV/2007/38)

## Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

*Report by the Director General*

1. On 23 May 2007, the Director General reported to the Board of Governors on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran (Iran) (GOV/2007/22). The report was submitted in parallel to the Security Council pursuant to Security Council resolutions 1696 (2006), 1737 (2006) and 1747 (2007). This report covers developments regarding the implementation in Iran of its NPT Safeguards Agreement since May 2007.

2. On 24 June 2007, the Director General met with the Secretary of the Supreme National Security Council of Iran (SNSC). During that meeting, it was agreed that, within the following 60 days, a plan should be developed on modalities for resolving the remaining safeguards implementation issues, including the long outstanding issues (GOV/2007/22, para. 9). The modalities were discussed in meetings, led by the Deputy Director General for Safeguards and the Deputy Secretary of the SNSC, which took place on 11–12 July 2007 and 20–21 August 2007 in Tehran, and on 24 July 2007 in Vienna. On 21 August 2007, a plan (hereinafter referred to as the “work plan”), which includes understandings between the Secretariat and Iran on the modalities, procedures and timelines for resolving these matters, was finalized. A copy of that work plan (issued also as INFCIRC/711, 27 August 2007) is attached hereto.

### **A. Enrichment Related Activities**

3. Since May 2007, Iran has continued to test single centrifuge machines, the 10- and 20-machine cascades and one 164-machine cascade at the Pilot Fuel Enrichment Plant (PFEP). Between 17 March and 22 July 2007, Iran fed 14 kg of UF<sub>6</sub> into the single machines; there was no feeding of nuclear material into the cascades.

4. Since February 2007, Iran has fed approximately 690 kg of UF<sub>6</sub> into the cascades at the Fuel Enrichment Plant (FEP), which is well below the expected quantity for a facility of this design. While Iran has stated that it has reached enrichment levels up to 4.8% U-235 at FEP, the highest enrichment level measured from environmental samples taken so far by the Agency from cascade components and related equipment is 3.7%. Detailed nuclear material accountancy, which is necessary to confirm the

actual enrichment level, will be carried out when the product and tails are withdrawn from the cascades. As of 19 August 2007, twelve 164-machine cascades were operating simultaneously and were being fed with UF<sub>6</sub>; one other cascade was operating without UF<sub>6</sub>; another cascade was being vacuum tested; and two more were under construction.

5. Since 22 March 2007, the Agency has implemented safeguards at FEP through interim inspections, design information verification, unannounced inspections and the use of containment and surveillance measures (GOV/INF/2007/10). To date, four unannounced inspections have been carried out at FEP.

6. The Agency provided Iran with a draft document detailing the safeguards approach for FEP and a draft Facility Attachment on 24 and 26 July 2007, respectively. The documents were discussed during a technical meeting in Tehran held on 6–8 August 2007. Further discussions will be held with the aim of finalizing the Facility Attachment by the end of September 2007.

## **B. Reprocessing Activities**

7. The Agency has been 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 reactor) through inspections and design information verification. There are no indications of ongoing reprocessing related activities at those facilities.

## **C. Heavy Water Related Projects**

8. As agreed by Iran on 12 July 2007, the Agency conducted design information verification at the IR-40 reactor on 30 July 2007, and noted that construction of the facility was ongoing. Satellite imagery indicates that the operation of the Heavy Water Production Plant was also continuing.

## **D. Outstanding Issues**

### **D.1. Plutonium Experiments**

9. As agreed in the meeting of 11–12 July 2007, the Agency provided Iran in writing on 1 August 2007 with the remaining open questions regarding plutonium separation experiments carried out by Iran at TRR (GOV/2007/8, paras 20–21). On 7 August 2007, during a technical meeting in Tehran, Iran provided additional information on the neutron flux distribution for the reactor core and reflector/moderator regions, details about earlier neutron flux measurements and information on the irradiation conditions. Using this additional information, the Agency made revised estimates of the Pu-240 abundance that could be expected from irradiation of the targets. The revised estimates derived from this new information were not inconsistent with the Agency's previous findings from samples taken during its investigations. Taking all available information into account, the Agency has concluded that Iran's statements concerning these experiments are consistent with the Agency's findings with respect to the dates, and quantities and types of material involved in the experiments (GOV/2006/53, paras 15–16). This issue is therefore considered resolved.

10. In the meeting on 7 August 2007, the presence and origin of high enriched uranium (HEU) particle contamination found in samples taken from the spent fuel containers at the Karaj Waste Storage Facility (GOV/2006/53, para. 17) was addressed. Iran has maintained that the reason for the contamination was leaking TRR fuel assemblies, which had in the past been stored temporarily in these containers. During the meeting, Iran presented a copy of a report describing its investigations into the fuel leakage problem at TRR, in connection with which Agency technical support had been

provided in the early 1990s. Based on this information, the Agency has concluded that the main sources of irradiated HEU in the coolant system likely included both leaks from the fuel itself and irradiated HEU contamination from the surface of the fuel cladding. It can be further estimated that the natural uranium content in the cooling water of TRR was sufficient to dilute the level of enrichment of the HEU particles to that found in the Agency's samples taken from the containers at Karaj. Iran also provided information on the burnup and the uranium mass for all fuel assemblies at the time of the intermediate and final fuel discharges. The data indicate that several control fuel assemblies had in fact leaked, and that the stated burnup matched that calculated for a majority of the HEU particles. The Agency has concluded, therefore, that the statements of Iran are not inconsistent with the Agency's findings, and now considers this issue as resolved.

## **D.2. Acquisition of P-1 and P-2 Centrifuge Technology**

11. In order to complete its investigation of the scope and nature of Iran's centrifuge enrichment programme, the Agency needs access to additional information (GOV/2006/27, paras 10–13). This includes information related to the acquisition of P-1 technology in 1987, and P-1 and P-2 technology in the mid-1990s, as well as appropriate supporting documentation and clarifications by relevant individuals. The Agency is still waiting for, inter alia: a copy of a handwritten offer made to Iran by the network in 1987; clarification of the dates and contents of shipments in the mid-1990s; and information concerning the purchase of magnets suitable for P-2 centrifuges. Iran has, however, undertaken, as part of the work plan, to provide, over the course of the next two months, answers to written questions from the Agency, as well as clarifications and access to information, such as supporting documentation, with a target date of November 2007 for resolving this issue.

## **D.3. Contamination**

12. As indicated previously to the Board of Governors (GOV/2007/8, paras 16–17; GOV/2006/53, para. 24), analysis of environmental samples taken in January 2006 from equipment purchased by a former Head of the Physics Research Centre (PHRC) and located at a technical university in Tehran showed a small number of particles of natural and high enriched uranium. The Agency has requested clarifications, permission to take samples from other equipment and materials procured by the PHRC and access to another former Head of the PHRC (GOV/2006/53, para. 25). These requests have not yet been acceded to by Iran. However, as reflected in the work plan, Iran has undertaken to hold further discussions on this matter, on the basis of written questions from the Agency, following resolution of the P-1 and P-2 issue.

## **D.4. Uranium Metal Document**

13. To understand the full scope of the offers made by the intermediaries that provided centrifuge enrichment technology to Iran, the Agency has requested a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and the casting and machining of enriched and depleted uranium metal into hemispheres (GOV/2005/87, para. 6). As reflected in the work plan, Iran has now agreed to cooperate in this regard.

## **D.5. Polonium-210**

14. As indicated in the work plan, Iran has agreed to provide the Agency, two weeks after the issue of the provision of a copy of the uranium metal document is resolved, with explanations in connection with the remaining questions concerning Iran's activities involving polonium extraction (GOV/2004/83, paras 79–84).

## **D.6. Gchine Mine**

15. As indicated in the work plan, Iran has agreed to provide the Agency, two weeks after the issue on polonium-210 is resolved, with the requested explanations concerning uranium mining and concentration activities at the Gchine mine and mill (GOV/2005/67, paras 26–31).

## **E. Alleged Studies**

16. In order to clarify certain aspects of the scope and nature of Iran's nuclear programme, the Agency has requested discussions with Iran about alleged studies related to the conversion of uranium dioxide to UF<sub>4</sub>, to high explosive testing and to the design of a missile re-entry vehicle (GOV/2006/15, paras 38–40). To that end, the Agency has offered to provide Iran with access to the documentation it has in its possession regarding such studies. As indicated in the work plan, while Iran considers the allegations "as politically motivated and baseless", it has undertaken to review the documentation and to inform the Agency of its assessment thereof.

## **F. Other Implementation Issues**

### **F.1. Uranium Conversion**

17. The Agency has finalized its assessment of the results of the physical inventory verification (PIV) of nuclear material at the Uranium Conversion Facility (UCF) carried out in March 2007, and has concluded that the physical inventory as declared by Iran was consistent with the results of the PIV, within the measurement uncertainties normally associated with conversion plants of a similar throughput.

18. During the current conversion campaign at UCF, which began on 31 March 2007 following the PIV, approximately 63 t of uranium in the form of UF<sub>6</sub> had been produced as of 14 August 2007, all of which remains under Agency containment and surveillance.

### **F.2. Design Information**

19. As indicated in the Director General's previous report (GOV/2007/22, paras 12–14), on 29 March 2007, Iran informed the Agency that it had "suspended" the implementation of the modified text of its Subsidiary Arrangements General Part, Code 3.1, concerning the early provision of design information. In a letter dated 30 March 2007, the Agency requested Iran to reconsider its decision (GOV/INF/2007/8). There has been no progress on this issue.

### **F.3. Inspector Designation and Visas**

20. On 12 July 2007, Iran agreed to the designation of five new Agency inspectors (GOV/2007/8, para. 23), bringing the total number of inspectors designated for Iran to 219. Iran also agreed to provide thirteen Agency inspectors with one year multiple entry visas.

### **F.4. Other Matters**

21. On 25 July 2007, the Agency conducted a PIV at the Fuel Manufacturing Plant, at which time it verified a small quantity of natural uranium oxide powder intended as feed material for preliminary process testing. The installation of process equipment is at an advanced stage, but the facility is not yet operational.

## **G. Summary**

22. The Agency is able to verify the non-diversion of declared nuclear material in Iran. Iran has been providing the Agency with access to declared nuclear material, and has provided the required nuclear material accountancy reports in connection with declared nuclear material and facilities. However, the Agency remains unable to verify certain aspects relevant to the scope and nature of Iran's nuclear programme. It should be noted that since early 2006, the Agency has not received the type of information that Iran had previously been providing, including pursuant to the Additional Protocol, for example information relevant to ongoing advanced centrifuge research.

23. The work plan is a significant step forward. If Iran finally addresses the long outstanding verification issues, the Agency should be in a position to reconstruct the history of Iran's nuclear programme. Naturally, the key to successful implementation of the agreed work plan is Iran's full and active cooperation with the Agency, and its provision to the Agency of all relevant information and access to all relevant documentation and individuals to enable the Agency to resolve all outstanding issues. To this end, the Agency considers it essential that Iran adheres to the time line defined therein and implements all the necessary safeguards and transparency measures, including the measures provided for in the Additional Protocol.

24. Once Iran's past nuclear programme has been clarified, Iran would need to continue to build confidence about the scope and nature of its present and future nuclear programme. 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 important, regarding the absence of undeclared nuclear material and activities in Iran, through the implementation of the Additional Protocol. The Director General therefore again urges Iran to ratify and bring into force the Additional Protocol at the earliest possible date, as requested by the Board of Governors and the Security Council.

25. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued with the operation of PFEP, and with the construction and operation of FEP. Iran is also continuing with its construction of the IR-40 reactor and operation of the Heavy Water Production Plant.

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

(Issued also as INFCIRC/711)

**Understandings**  
**of**  
**the Islamic Republic of Iran and the IAEA**  
**on**  
**the Modalities of Resolution of the Outstanding Issues**  
**Tehran – 21 August 2007**

Pursuant to the negotiations between H.E. Dr. Larijani, I. R. of Iran's Secretary of Supreme National Security Council and H.E. Dr. ElBaradei, Director General of the IAEA, in Vienna; following the initiative and good will of the Islamic Republic of Iran and the agreement made, a high ranking delegation consisting of the directors of technical, legal and political departments of the IAEA, paid a visit to Tehran from 11 to 12 July 2007 during which "Understandings of The Islamic Republic of Iran and the IAEA on the Modalities of Resolution of the Outstanding Issues, Tehran 12 July 2007" were prepared.

A second meeting took place in Vienna on 24 July 2007 followed by a further meeting in Iran from 20 to 21 August 2007. The Agency's delegation had the opportunity to have meetings with H.E. Dr. Larijani during both visits to Tehran. Following these three consecutive meetings, both Parties reached the following understandings:

**I. Latest Developments:**

Based on the modalities agreed upon on 12 July 2007, the following decisions were made:

**1. Present Issues:**

**A. Enrichment Programme**

The Agency and Iran agreed to cooperate in preparing the safeguards approach for the Natanz Fuel Enrichment Plant in accordance with Iran's Comprehensive Safeguards Agreement. The draft text of the safeguards approach paper, and the facility attachment of IRN- were provided to Iran on 23 July 2007. The safeguards approach and the facility attachment were discussed during technical meetings in Iran between the Agency and the AEOI from 6 to 8 August 2007. Further discussions will be held with the aim of finalizing the facility attachment by the end of September 2007.

## **B. Heavy Water Research Reactor in Arak**

Iran agreed with the Agency's request to visit the heavy water research reactor (IR40) site in Arak. A successful visit took place on 30 July 2007.

## **C. Designation of new inspectors**

On 12 July 2007, Iran accepted the designation of five additional inspectors.

## **D. Issue of multiple entry visas**

On 12 July 2007, Iran agreed to issue one year multiple entry visas for 14 inspectors and staff of the Agency.

## **2. Past Outstanding Issues:**

### **A. Plutonium Experiments**

In order to conclude and close the file of the issue of plutonium (Pu), the Agency provided Iran with the remaining questions on 23 July 2007. During a meeting in Iran between representatives of the Agency and Iran, Iran provided clarifications to the Agency that helped to explain the remaining questions. In addition, on 7 August 2007, Iran sent a letter to the Agency providing additional clarifications to some of the questions. On 20 August 2007 the Agency stated that earlier statements made by Iran are consistent with the Agency's findings, and thus this matter is resolved. This will be communicated officially by the Agency to Iran through a letter.

### **B. Issue of P1-P2:**

Based on agreed modalities of 12 July 2007, Iran and the Agency agreed the following procedural steps to resolve the P1-P2 issue. The proposed timeline assumes that the Agency announces the closure of the Pu-experiments outstanding issue by 31 August 2007, and its subsequent reporting in the Director General's report to the September 2007 Board of Governors.

The Agency will provide all remaining questions on this issue by 31 August 2007. Iran and the Agency will have discussions in Iran on 24-25 September 2007 to clarify the questions provided. This will be followed up by a further meeting in mid-October 2007 to further clarify the written answers provided. The Agency's target date for the closure of this issue is November 2007.

### **C. Source of Contamination**

Based on the agreed modalities on 12 July 2007 and given the Agency's findings which tend, on balance, to support Iran's statement about the foreign origin of the observed HEU contamination, the

only remaining outstanding issue on contamination is the contamination found at a Technical University in Tehran.

Iran and the Agency agreed on the following procedural steps to address this issue, starting once the P1-P2 issue is concluded and the file is closed. The Agency will again provide Iran with the remaining questions regarding the contamination found at a Technical University in Tehran by 15 September 2007. After 2 weeks of the closure of the P1-P2 issue Iran and the Agency will have discussions in Iran on this issue.

#### **D. U Metal Document**

Upon the request of the Agency, Iran agreed to cooperate with the Agency in facilitating the comparison of the relevant sections of the document. Iran is presently reviewing the proposals already made during the first meeting on 12 July 2007. After taking this step by Iran, the Agency undertakes to close this issue.

### **II. Modalities of Resolution of other Outstanding Issues**

#### **A. Po210**

Based on agreed modalities of 12 July 2007, Iran agreed to deal with this issue, once all the above mentioned issues are concluded and their files are closed. Iran and the Agency agreed upon the following procedural steps: regarding this issue, the Agency will provide Iran in writing with all its remaining questions by 15 September 2007.

After 2 weeks from conclusion and closure of the issues of the source of contamination and U-metal, reflected in the Director General's report to the Board of Governors, Iran and the Agency will have discussions in Iran where Iran will provide explanations on the Po210.

#### **B. Ghachine Mine**

Based on agreed modalities of 12 July 2007, Iran agreed to deal with this issue, once the issue of Po210 is concluded and its file is closed. Iran and the Agency agreed upon the following procedural steps: regarding this issue, the Agency will provide Iran in writing with all its remaining questions by 15 September 2007.

After 2 weeks from conclusion and closure of the issue of Po210, reflected in the Director General's report to the Board of Governors, Iran and the Agency will have discussions in Iran where Iran will provide explanations to the Agency about Ghachine Mine.

### **III. Alleged Studies**

Iran reiterated that it considers the following alleged studies as politically motivated and baseless allegations. The Agency will however provide Iran with access to the documentation it has in its

possession regarding: the Green Salt Project, the high explosive testing and the missile re-entry vehicle.

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.

#### **IV. General Understandings**

1. These modalities cover all remaining issues and the Agency confirmed that there are no other remaining issues and ambiguities regarding Iran's past nuclear program and activities.
2. The Agency agreed to provide Iran with all remaining questions according to the above work plan. This means that after receiving the questions, no other questions are left. Iran will provide the Agency with the required clarifications and information.
3. The Agency's delegation is of the view that the agreement on the above issues shall further promote the efficiency of the implementation of safeguards in Iran and its ability to conclude the exclusive peaceful nature of the Iran's nuclear activities.
4. The Agency has been able to verify the non-diversion of the declared nuclear materials at the enrichment facilities in Iran and has therefore concluded that it remains in peaceful use.
5. The Agency and Iran agreed that after the implementation of the above work plan and the agreed modalities for resolving the outstanding issues, the implementation of safeguards in Iran will be conducted in a routine manner.

## Board of Governors

**GOV/2007/48/Corr.1**

Date: 7 September 2007

Original: English

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**For official use only**

Item 7(d) of the provisional agenda  
(GOV/2007/38)

# Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran

### *Corrigendum*

The title of the document has been changed to read as above.

**Statement by the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States with the support of the High Representative of the European Union, September 28, 2007**

1. The proliferation risks of the Iranian nuclear program remain a source of serious concern to the International Community, as expressed very clearly in UNSC Resolutions 1696, 1737 and 1747.
2. We are committed to the Treaty on the Non-Proliferation of Nuclear Weapons and underline the need for all States Party to that Treaty to comply fully with all their obligations. We seek a negotiated solution that would address the international community's concerns over Iran's nuclear program. We reiterate our commitment to see the proliferation implication of Iran's nuclear program resolved, and have therefore met today to reaffirm our commitment to our dual track approach.
3. We remain ready to engage with Iran in negotiations on a comprehensive long-term agreement to resolve the Iranian nuclear issue. Creating the conditions for such negotiations requires that Iran fully and verifiably suspend its enrichment-related and reprocessing activities, as required by UNSC Resolutions 1737 and 1747. The Security Council has offered Iran the possibility of "suspension for suspension" – suspension of the implementation of measures if and for so long as Iran suspends all of its enrichment-related and reprocessing activities, as verified by the IAEA. We call upon Iran to accept that offer and allow for negotiations in good faith.
4. We urge Iran to engage in a dialogue to create the conditions for negotiations based on our June 2006 proposals for a long-term comprehensive agreement, based on mutual respect, that would reestablish international confidence in the exclusively peaceful nature of Iran's nuclear program and open the way to wider cooperation between Iran and all our countries. We have asked Dr. Javier Solana, the European Union's High Representative for Common Foreign and Security Policy, to meet with Dr. Ali Larijani, Secretary of Iran's Supreme National Security Council, to lay the foundation for future negotiations.
5. We welcome the agreement between Iran and the IAEA to resolve all questions concerning Iran's past nuclear activities. We call upon Iran, however, to produce tangible results rapidly and effectively by clarifying all outstanding issues and concerns on Iran's nuclear program, including topics which could have a military nuclear dimension, as set out by the relevant IAEA Resolutions and UNSC Resolutions 1737 and 1747 and by providing all access required by its Safeguards Agreement and Subsidiary Arrangement and by implementing the Additional Protocol.
6. Full transparency and cooperation by Iran with the IAEA is essential in order to address outstanding concerns. We reiterate our full support for the IAEA and its staff in the execution of its verification role and for the role of the UN Security Council. We look forward to DG El Baradei's November report to the IAEA Board of Governors on the level, scope, and extent of Iran's cooperation and transparency .

7. In view of the fact that Iran has not fulfilled the requirements of UN Security Council Resolutions 1737 and 1747, including the suspension of its enrichment and reprocessing activities, we agree to finalize a text for a third UN Security Council Sanctions Resolution under Article 41 of Chapter VII of the Charter of the United Nations with the intention of bringing it to a vote in the UN Security Council unless the November reports of Dr. Solana and Dr. El Baradei show a positive outcome of their efforts.

**- Iran – Council Conclusions**

The Council adopted the following conclusions:

"1. The Council discussed the situation concerning Iran's nuclear programme. The Council reaffirmed its support for efforts to find a negotiated long-term solution to the Iranian nuclear issue. The Council gave its full backing to the efforts of the High Representative on behalf of the EU and the international community to encourage Iran to return to talks on long-term arrangements.

2. The Council underlined its continuing commitment to the comprehensive package proposed to Iran in June 2006. This package, among many elements, reaffirmed Iran's right to develop nuclear energy in conformity with its obligations under the NPT and included active support to build new Light Water Power Reactors using state of the art technology. Iran still has the option to re-enter negotiations on that basis, in line with the double track approach.

3. The Council welcomed the agreement between Iran and the IAEA to resolve all questions concerning Iran's past nuclear activities and noted that full and timely implementation by Iran of the IAEA work plan, as interpreted by the Director General's report, would constitute a significant step forward. As stated in the IAEA Director General's report, confidence in the exclusively peaceful nature of Iran's nuclear programme requires that the Agency be able to provide assurances regarding the absence of undeclared nuclear material and activities, through the implementation of the Additional Protocol and required transparency measures. The Council urged Iran to fully implement the provisions of the Comprehensive Safeguard Agreement, including its subsidiary arrangements, implement the Additional Protocol pending its ratification, and to provide the Agency all information and cooperation requested. Moreover, the Council expressed its hope that the Director General of the IAEA would be able to show, in his report in November, a positive outcome of his efforts in line with the requirements of the workplan agreed with Iran.

4. The Council regretted that Iran had not complied with the unanimous call of the international community to suspend all enrichment-related activity and had not accepted the offer of negotiation. The Council reaffirmed its support for Security Council Resolutions 1696, 1737 and 1747 and underlined that the Security Council had expressed its intention in Resolutions 1737 and 1747 to adopt further appropriate measures under Article 41, Chapter VII of the UN Charter should Iran further fail to suspend its enrichment activities. The Council welcomed the 28 September statement by the Foreign Ministers of France, Germany, the United Kingdom, China, Russia and the United States with the support of the High Representative of the European Union. The Council agreed that the EU will consider what additional measures it might take in order to support the UN process and the shared objectives of the international community, and invited the relevant Council bodies to provide timely advice."

## Board of Governors

**GOV/2007/58**  
Date: 15 November 2007

Original: English

**For official use only**

# Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran

*Report by the Director General*

1. On 30 August 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/2007/48 and Corr.1). This report covers the relevant developments since that date.

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

2. On 21 August 2007, the Secretariat and Iran reached understandings on a work plan for resolving outstanding safeguards implementation issues (GOV/2007/48, Attachment). Since the previous report, the following progress has been made in the implementation of the work plan.

### **A.1. P-1 and P-2 Centrifuges**

3. The chronology of activities since the previous report is as follows:

- On 31 August 2007, the Agency provided to Iran in writing the outstanding questions relating to the P-1 and P-2 uranium enrichment programme;
- On 24 and 25 September 2007, a meeting took place in Tehran between the Agency and Iranian officials to clarify the questions provided to Iran;
- From 9 to 11 October 2007, another meeting took place in Tehran between the Agency and the Iranian authorities, at which Iran provided oral answers to the questions and the Agency requested additional clarifications and amplifications;

- On 15 October 2007, the Agency received preliminary written answers to the questions;
- From 20 to 24 October 2007, an Agency technical team visited Tehran to review in detail the answers and supporting documentation, and to interview officials involved in the P-1 and P-2 uranium enrichment programme;
- From 29 October to 1 November 2007, the Agency continued discussions with the Iranian authorities on the centrifuge enrichment programme. Iran provided additional supporting documentation and written amplifications and the Agency held discussions and interviews with Iranian officials involved in nuclear activities in the 1980s and 1990s;
- On 5 and 12 November 2007, Iran provided in writing its response to the Agency's questions about the P-1 and P-2 uranium enrichment programme.

### **A.1.1. Acquisition of Fuel Cycle Facilities and Technology 1972–1995**

4. According to Iran, in its early years, the Atomic Energy Organization of Iran (AEOI) concluded a number of contracts with entities from France, Germany, the United Kingdom and the United States of America to enable it to acquire nuclear power and a wide range of related nuclear fuel cycle services, but after the 1979 revolution, these contracts with a total value of around \$10 billion were not fulfilled. Iran noted that one of the contracts, signed in 1976, was for the development of a pilot plant for laser enrichment<sup>1</sup>. Senior Iranian officials said that, in the mid-1980s, Iran started working with many countries to revitalize its nuclear programme to meet the State's growing energy needs. Taking advantage of investments already made, Iran said it focused its efforts initially on the completion of the Bushehr nuclear power plant, working with entities from, inter alia, Argentina, France, Germany and Spain, but without success. At that time, Iran also initiated efforts to acquire research reactors from Argentina, China, India and the former Soviet Union, but also without success.

5. Parallel to the activities related to nuclear power plants, Iran started to build supporting infrastructure by establishing nuclear technology centres in Esfahan and Karaj. However, apart from uranium conversion technology acquired from an entity in China, Iran was not able to acquire other nuclear fuel cycle facilities or technology from abroad. As a result, according to Iran, a decision was made in the mid-1980s to acquire uranium enrichment technology on the black market.

6. To assess the detailed information provided by Iran, the Agency held discussions with senior current and former Iranian officials. The Agency also examined supporting documentation, including Iranian legislation, contracts with foreign companies, agreements with other States and nuclear site surveys.

7. Bearing in mind the long history and complexity of the programme and the dual nature of enrichment technology, the Agency is not in a position, based on the information currently available to it, to draw conclusions about the original underlying nature of parts of the programme. Further light may be shed on this question when other aspects of the work plan have been addressed and when the Agency has been able to verify the completeness of Iran's declarations.

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<sup>1</sup> In addition to the 1976 contract for the laser enrichment pilot plant, concluded with a US company, Iran has reported the conclusion of the following contracts related to laser enrichment (GOV/2004/60, Annex, para. 30):

- 1975 – for the establishment of a laboratory to study the spectroscopic behaviour of uranium metal (Germany);
- 1991 – for the establishment of a Laser Spectroscopy Laboratory and a Comprehensive Separation Laboratory (China);
- 1998 – to obtain information related to laser enrichment, and the supply of relevant equipment (Russian Federation).

## **A.1.2. Acquisition of P-1 Centrifuge Technology**

### ***The 1987 Offer***

8. As previously reported to the Board (GOV/2005/67, paras 14–15), the Agency was shown by Iran in January 2005 a copy of a hand-written one-page document reflecting an offer for certain components and equipment said to have been made to Iran in 1987 by a foreign intermediary. Iran stated in 2005 that this was the only remaining documentary evidence relevant to the scope and content of the 1987 offer. On 9 October 2007, the Agency was provided with a copy of the document. Certain aspects of the document indicate that it dates from 1987. However, the originator of the document has still not been identified.

9. On 5 November 2007, Iran provided the Agency with an updated chronology of meetings between Iran and the supply network covering the period 1986 to 1987. Iran maintains that only some components of two disassembled centrifuges, plus supporting drawings and specifications, were delivered in 1987 by the network. Iran reiterated that it did not acquire uranium casting and re-conversion technology or equipment from the network, nor did it ask for the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal, and its casting into hemispheres (GOV/2005/87, para. 6). These points are addressed in A.3 below.

10. According to Iran, the decision to acquire centrifuge technology was taken by the President of the AEOI and endorsed by the Prime Minister of Iran. In response to its enquiries about possible additional documentation relevant to the 1987 offer, the Agency was provided on 8 November 2007 with a copy of a confidential communication from the President of the AEOI to the Prime Minister, dated 28 February 1987, which also carried the Prime Minister's endorsement, dated 5 March 1987. In his communication, the AEOI President indicated that the activities "should be treated fully confidentially." In response to the Agency's enquiry as to whether there was any military involvement in the programme, Iran has stated that no institution other than the AEOI was involved in the decision-making process or in the implementation of the centrifuge enrichment programme.

11. Based on interviews with available Iranian officials and members of the supply network, limited documentation provided by Iran and procurement information collected through the Agency's independent investigations, the Agency has concluded that Iran's statements are consistent with other information available to the Agency concerning Iran's acquisition of declared P-1 centrifuge enrichment technology in 1987.

### ***Early Research and Development***

12. Iran has stated that, during the first phase of P-1 research and development (R&D) in 1987–1993, it devoted only limited financial and human resources (three researchers) to the project. According to Iran, emphasis was put on understanding the behaviour of centrifuges and their assembly and on domestic production of components. Iran has also stated that during this period, the R&D work was conducted only by the AEOI, without the support of universities or the Physics Research Centre (PHRC). According to Iran, no contacts were made during this period with the supply network to seek support in solving technical problems which Iran had encountered.

13. Iran's statements about this phase of R&D are not inconsistent with the Agency's findings, which are based on interviews with available Iranian officials and members of the supply network, supporting documentation provided by Iran and procurement information collected during the Agency's investigations. However, the role of the technical university at which uranium particle contamination was found still needs to be examined (see A.2 below).

### ***The 1993 Offer and Subsequent R&D***

14. As previously reported to the Board (GOV/2006/15, para. 15), statements made by Iran and key members of the supply network about the events leading up to the mid-1990s offer have been at variance with each other. Over the course of meetings held in October 2007, Iran provided the Agency with an updated chronology of events from 1993 to 1999 which clarified certain details concerning meetings, participants and deliveries of P-1 centrifuge equipment by the network during this period.

15. Iran stated again that in 1993 the supply network, on its own initiative, had approached an Iranian company with an offer to sell enrichment technology. This offer was brought to the attention of the Head of Iran's Budget and Planning Organization, who was also a member of the country's Atomic Energy Council. The offer was then further pursued by the AEOI (GOV/2005/67, para. 16).

16. The Agency has so far not been able to confirm Iran's statement that the supply network initiated the 1993 offer. Information provided by Iran on the deliveries and technical meetings after 1993 is consistent with that given to the Agency in interviews with some of the network members. Based on interviews with Libyan officials and supply network members and information from other sources, the Agency has concluded that most of the items related to the 1993 offer had originally been ordered by the Libyan Arab Jamahiriya but were in fact delivered to Iran in the period 1994–1996.

17. Iran stated that, during the period 1993 to 1999, it was still experiencing difficulty in producing components for P-1 centrifuges and manufacturing reliable P-1 centrifuges. It said that only limited human resources were devoted to the project until 1997 and that, around 1998, additional theoretical and experimental studies were initiated at the Amir Khabir University. Its statements in this regard are supported by the technical questions raised by AEOI staff with the network and procurement information available to the Agency.

18. Iran stated that it successfully tested P-1 centrifuges at the end of the 1990s and that a decision was made to go ahead with larger-scale R&D and eventually with an enrichment plant. To that end, Iran stated that it considered locations at Hashtgerd Karaj, Natanz and Esfahan before deciding to build the enrichment plant at Natanz. During this period, procurement activities were intensified and vacuum equipment, as well as special raw materials such as maraging steel and high strength aluminium, were acquired from abroad. Iran has provided names, locations and activities of the workshops involved in the domestic production of centrifuge components, most of which are owned by military industrial organizations (GOV/2004/11, para. 37). Information provided by Iran on the timing of these purchases and the quantities involved is consistent with the Agency's findings.

### **A.1.3. Acquisition of P-2 Centrifuge Technology**

19. Iran has stated that, in order to compensate it for the poor quality of the P-1 centrifuge components provided by the supply network, the network provided Iran at a meeting in Dubai in 1996 with a full set of general P-2 centrifuge drawings. This statement was confirmed to the Agency in interviews with key members of the network.

20. Iran has reiterated that, although the drawings were acquired in 1996, no work on P-2 centrifuges was begun until 2002. According to the former and current senior management of the AEOI, Iran did not yet have the technical and scientific capabilities to master centrifuge manufacturing during this period. The Agency does not have credible procurement related information pointing to the actual acquisition by Iran of P-2 centrifuges or components during this period (an earlier indication which appeared to support this (GOV/2006/15, para. 18) could not be substantiated).

21. In 2002, the AEOI concluded a contract with a private company to manufacture a modified P-2 centrifuge (GOV/2004/11, para. 45). On 5 November 2007, the Agency received a copy of the contract, the content of which is consistent with earlier interviews with the company owner, who was not available for interview on this occasion. The contract was terminated in March 2003, but the company owner has stated that he continued to work “on his own initiative” until June 2003.

22. The owner of the company stated in earlier interviews that he was able to obtain all raw materials and minor items, with the exception of bearings, oils and magnets, from domestic sources, which is consistent with the procurement information currently available to the Agency. The owner stated that he acquired 150 magnets with P-2 specifications and attempted to buy tens of thousands more, but these orders were cancelled by the suppliers. The AEOI stated that, after termination of his contract with the AEOI, the company owner sought to secure the supply of additional magnets for the AEOI but that his attempts to do so failed, which is consistent with the information available to the Agency through its investigations. Iran acknowledged that composite rotors for P-2 centrifuges had been manufactured in a workshop situated on a Defence Industries Organisation (DIO) site (GOV/2004/34, para. 22).

23. Based on visits made by Agency inspectors to the P-2 workshop in 2004, examination of the company owner’s contract, progress reports and logbooks, and information available on procurement enquiries, the Agency has concluded that Iran’s statements on the content of the declared P-2 R&D activities are consistent with the Agency’s findings. Environmental samples taken at declared R&D locations and from equipment did not indicate that nuclear material was used in these experiments.

## **A.2. Source of Contamination**

24. On 15 September 2007, the Agency provided Iran with questions in writing in connection with the source of uranium particle contamination at the technical university and requested access to relevant documentation and to individuals, as well as to relevant equipment and locations for sample-taking. The questions were, inter alia, about the origin of the uranium particle contamination of equipment (GOV/2006/53, para. 24), the nature of the equipment, the envisioned use of the equipment and the names and roles of individuals and entities involved (including PHRC). In accordance with the work plan, Iran should provide answers to the questions and the requested access in the next few weeks.

## **A.3. Uranium Metal Document**

25. On 8 November 2007, the Agency received a copy of the 15-page document describing the procedures for the reduction of UF<sub>6</sub> to uranium metal and casting it into hemispheres. Iran has reiterated that this document was received along with the P-1 centrifuge documentation in 1987. The Agency has shared this document with Pakistan, the purported country of origin, and is seeking more information. Iran stated that the reconversion unit with casting equipment mentioned in the one-page 1987 offer was not pursued with the supply network. Apart from the conversion experiments of UF<sub>4</sub> to uranium metal at the Tehran Nuclear Research Centre (GOV/2004/60 Annex, para. 2), the Agency has seen no indication of any UF<sub>6</sub> reconversion and casting activity in Iran. It should be noted, however, that a small UF<sub>6</sub> to uranium metal conversion line in the Uranium Conversion Facility (UCF) was declared by Iran in the design information questionnaire for the UCF (GOV/2003/75, Annex 1, para. 3). This line has not been built, as verified by the Agency’s inspectors.

## **A.4. Polonium-210**

26. On 15 September 2007, the Agency provided questions in writing to Iran concerning Iran’s activities involving polonium and requested access to relevant documentation, individuals and

equipment. The questions were, inter alia, about the scope and objectives of the polonium-210 studies (GOV/2004/11, para. 28), whether any bismuth acquisitions from abroad had been made or attempted and whether any related theoretical or R&D studies had been carried out in Iran. In accordance with the work plan, Iran should provide answers to the questions and the requested access in the next few weeks.

### **A.5. Gchine Mine**

27. On 15 September 2007, the Agency provided questions in writing to Iran concerning the Gchine Mine and requested access to relevant documentation, individuals and equipment. The questions were, inter alia, about the ownership of the mining area and mill, why activities took place at this location when suitable infrastructure was available elsewhere and why AEOI activities at the mine ceased around 1993 (GOV/2005/67, para. 26). In accordance with the work plan, Iran should provide answers to the questions and the requested access in the next few weeks.

### **A.6. Alleged Studies**

28. The Agency has urged Iran to address at an early date the alleged studies concerning the conversion of uranium dioxide into UF<sub>4</sub> (the green salt project), high explosive testing and the design of a missile re-entry vehicle (GOV/2006/15, paras 38–39). In accordance with the work plan, Iran should address this topic in the next few weeks. In the meantime, the Agency is working on arrangements for sharing with Iran documents provided by third parties related to the alleged studies.

### **A.7. Facility Attachment for the Natanz Fuel Enrichment Plant**

29. On 17 and 18 September 2007, an Agency technical team discussed with the Iranian authorities details of a draft Facility Attachment for the Fuel Enrichment Plant (FEP) at Natanz. Further discussions from 20 to 24 September led to the entry into force of the Facility Attachment on 30 September 2007.

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

30. On 3 November 2007, the Agency verified that Iran had finished installing eighteen 164-machine cascades at FEP and that UF<sub>6</sub> had been fed into all 18 cascades. There has been no installation of centrifuges or centrifuge pipework outside the original 18-cascade area. Work to install feed and withdrawal infrastructure and auxiliary systems is continuing.

31. Since February 2007, Iran has fed approximately 1240 kg of UF<sub>6</sub> into the cascades at FEP. The feed rate has remained below the expected quantity for a facility of this design. While Iran has stated that it has reached enrichment levels up to 4.8% U-235 at FEP, the highest U-235 enrichment measured so far from the environmental samples taken by the Agency from cascade components and related equipment is 4.0%. Detailed nuclear material accountancy will be carried out during the annual physical inventory taking which is scheduled from 16 to 19 December 2007. Since March 2007, a total of seven unannounced inspections have been carried out at FEP.

32. Since August 2007, Iran has continued to test single centrifuge machines, the 10- and 20-machine cascades and one 164-machine cascade at the Pilot Fuel Enrichment Plant (PFEP). Between 23 July and 22 October 2007, Iran fed 5 kg of UF<sub>6</sub> into the single machines; no nuclear material was

fed into the cascades. From 15 to 18 September 2007, the Agency performed a physical inventory verification at PFEP. Although some of the sample results are not yet available, the Agency's provisional evaluation tends to confirm the physical inventory as declared by Iran.

33. There have been several press reports about statements by high level Iranian officials concerning R&D and testing of P-2 centrifuges by Iran (GOV/2006/27, para. 14). In a communication to the Agency received on 8 November 2007, Iran wrote: "Iran voluntarily has informed the IAEA on the status of mechanical test (without UF<sub>6</sub> feeding) of new generation of centrifuge design." In the communication, Iran added that it "agreed that exchanging of the new centrifuge generation information" would be discussed with the Agency in December 2007.

## **C. Reprocessing Activities**

34. 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.

## **D. Heavy Water Reactor Related Projects**

35. On 11 November 2007, the Agency conducted design information verification at the IR-40 and noted that construction of the facility was proceeding. Satellite imagery appears to indicate that the Heavy Water Production Plant is operating. The Agency must rely on satellite imagery of this plant as it does not have routine access to it while the Additional Protocol remains unimplemented.

## **E. Other Implementation Issues**

### **E.1. Uranium Conversion**

36. During the current conversion campaign at UCF, which began on 31 March 2007, approximately 78 tonnes of uranium in the form of UF<sub>6</sub> had been produced as of 5 November 2007. This brings the total amount of UF<sub>6</sub> produced at UCF since March 2004 to approximately 266 tonnes, all of which remains under Agency containment and surveillance.

## **E.2. Design Information**

37. 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)<sup>2</sup>, but there has been no progress on this issue.

## **E.3. Other Matters**

38. The Agency has made arrangements to verify and seal the fresh fuel foreseen for the Bushehr nuclear power plant on 26 November 2007, before shipment of the fuel from the Russian Federation to Iran.

## **F. Summary**

39. The Agency has been able 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 concluded a Facility Attachment for FEP. However, it should be noted that, since early 2006, the Agency has not received the type of information that Iran had previously been providing, pursuant to the Additional Protocol and as a transparency measure. As a result, the Agency's knowledge about Iran's current nuclear programme is diminishing.

40. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued the operation of PFEP and FEP. Iran has also continued the construction of the IR-40 and operation of the Heavy Water Production Plant.

41. There are two remaining major issues relevant to the scope and nature of Iran's nuclear programme: Iran's past and current centrifuge enrichment programme and the alleged studies. The Agency has been able to conclude that answers provided on the declared past P-1 and P-2 centrifuge programmes are consistent with its findings. The Agency will, however, continue to seek corroboration and is continuing to verify the completeness of Iran's declarations. The Agency intends in the next few weeks to focus on the contamination issue as well as the alleged studies and other activities that could have military applications.

42. Iran has provided sufficient access to individuals and has responded in a timely manner to questions and provided clarifications and amplifications on issues raised in the context of the work plan. However, its cooperation has been reactive rather than proactive. As previously stated, Iran's active cooperation and full transparency are indispensable for full and prompt implementation of the work plan.

43. In addition, Iran needs to continue to build confidence about the scope and nature of its present programme. 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

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<sup>2</sup> Code 3.1 of the Subsidiary Arrangements General Part as agreed to in 1976 provides for the submission of design information for new facilities "normally not later than 180 days before the facility is scheduled to receive nuclear material for the first time", in contrast to the modified text agreed to in 2003, which provides for the submission of such information as soon as the decision to construct, or to authorize construction, of such a facility has been taken, whichever is earlier.

importantly, regarding the absence of undeclared nuclear material and activities in Iran. Although the Agency has no concrete information, other than that addressed through the work plan, about possible current undeclared nuclear material and activities in Iran, the Agency is not in a position to provide credible assurances about the absence of undeclared nuclear material and activities in Iran without full implementation of the Additional Protocol. This is especially important in the light of Iran's undeclared activities for almost two decades and the need to restore confidence in the exclusively peaceful nature of its nuclear programme. Therefore, the Director General again urges Iran to implement the Additional Protocol at the earliest possible date. The Director General also urges Iran to implement all the confidence building measures required by the Security Council, including the suspension of all enrichment related activities.

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

***Iran***

82. The European Council reaffirms its deep concern at **Iran's** nuclear programme and underlines that the acquisition by Iran of a nuclear military capability would be unacceptable. In this regard, it deplores that Iran has still not complied with its international obligations as reiterated in UNSC Resolutions 1696, 1737 and 1747, to suspend all enrichment-related and reprocessing activities in order to restore confidence in the entirely peaceful nature of its programme.
83. The European Council furthermore regrets that neither High Representative of the EU, Javier Solana, following his discussions with the Iranian nuclear negotiator, nor the Director-General of IAEA, Mohamed El Baradei, was able to report a positive outcome, particularly in the fulfilment by Iran of the requirements of the UN Security Council.
84. The European Council calls upon Iran to provide full, clear and credible answers to the IAEA, to resolve all questions concerning Iran's nuclear activities, to ratify and implement the Additional Protocol and to fully implement the provisions of the Comprehensive Safeguard Agreement, including its subsidiary arrangements. It emphasises that carrying out these actions and the transparency measures as requested by the IAEA would constitute a positive step to build confidence concerning Iran's nuclear programme.
85. The European Council reaffirms its full and unequivocal support for efforts to find a negotiated long-term solution to the Iranian nuclear issue and underlines that the proposals presented by the High Representative on 6 June 2006 would give Iran everything it needs to develop a civil nuclear power industry while addressing international concerns.
86. The European Council reiterates its full support for the work in the UN Security Council to adopt further measures under Article 41, Chapter VII, of the UN Charter, and recalls that, following the General Affairs and External Relations Council conclusions on Iran of 15 October, consideration has begun on additional measures that might be taken in support of the UN process and the shared objectives of the international community. In light of the upcoming decisions to be taken by the UN Security Council, the next General Affairs and External Relations Council will decide what action the EU will take.



Atoms for Peace

# Board of Governors

**Derestricted 5 March 2008**

*(This document has been derestricted at the meeting of the Board on 5 March 2008)*

**GOV/2008/4**

Date: 22 February 2008

Original: English

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**For official use only**

Item 5(c) of the provisional agenda  
(GOV/2008/6)

## Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006) and 1747 (2007) in the Islamic Republic of Iran

*Report by the 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 National 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 individual 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 210Po by the irradiation of 209Bi 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 turnkey 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, reiterating 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 above-mentioned 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 examination 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.

**Security Council**Distr.: General  
3 March 2008

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**Resolution 1803 (2008)****Adopted by the Security Council at its 5848th meeting,  
on 3 March 2008**

*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 exclusively 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 Melli 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. Ettehad 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)

**Statement of the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, with the support of the High Representative of the European Union.**

On Monday (3 March) the United Nations Security Council adopted a third sanctions resolution on Iran's nuclear programme. Resolution 1803 was adopted with no votes against and broadened the sanctions against Iran on the basis of Article 41, Chapter VII of the UN Charter.

On adoption of the resolution, Sir John Sawers, UK Permanent Representative to the UN, issued the following joined statement of the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, with the support of the High Representative of the European Union:

*"Today the UN Security Council adopted resolution 1803, reflecting the international community's ongoing serious concerns about the proliferation risks of the Iranian nuclear programme. This is the third time that the UN Security Council has sent a strong message of international resolve to Iran by adopting a sanctions resolution under Article 41 of Chapter VII of the Charter of the United Nations on Iran's nuclear programme. We deplore Iran's continued failure to comply with its UN Security Council and IAEA Board requirements, in particular by expanding its enrichment-related activities. We note the progress made in implementing the IAEA-Iran Work Plan and the IAEA's serious concerns about the "alleged studies," which are critical to an assessment of a possible military dimension to Iran's nuclear programme. We call upon Iran to heed the requirements of UN Security Council and the IAEA, including the suspension of its enrichment-related and reprocessing activities.*

*"We remain committed to an early negotiated solution to the Iranian nuclear issue and we reaffirm our commitment to a dual-track approach. We reconfirm the proposals we presented to Iran in June 2006 and are prepared to further develop them. Our proposals will offer substantial opportunities for political, security and economic benefits to Iran and to the region. We urge Iran to take this opportunity to engage with us all and to find a negotiated way forward. We reiterate our recognition of Iran's right to develop, research, production, and use of nuclear energy for peaceful purposes in conformity with its NPT obligations. We reconfirm 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 NPT. We remain ready to negotiate future arrangements, modalities and timing in this respect once the conditions for negotiations have been established.*

*"This will require further diplomatic efforts and innovative approaches. To that end we have asked Dr. Javier Solana, the European Union's High Representative for Common Foreign and Security Policy, to meet with Dr. Saeed Jalili, Secretary of Iran's Supreme National Security Council, and to address the interests and concerns of both sides in a manner which can gradually create the conditions for the opening of negotiations."*

# Board of Governors

**GOV/2008/15**

Date: 26 May 2008

**Restricted Distribution**

Original: English

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Item 7(d) of the provisional agenda  
(GOV/2008/20)

## Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) in the Islamic Republic of Iran

*Report by the Director General*

1. On 22 February 2008, 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/2008/4). This report, which covers relevant developments since that date, is submitted to the Board of Governors and to the Security Council, which, in resolution 1803 (2008) of 3 March 2008, requested the Director General to submit a further report on this matter within 90 days.

### **A. Current Enrichment Related Activities**

2. Since the previous report, Iran has continued to operate the original 3000-machine IR-1 unit<sup>1</sup> at the Fuel Enrichment Plant (FEP). Installation work has continued on four other units as well.<sup>2</sup> On 7 May 2008, two 164-machine (IR-1) cascades of one of the four units<sup>3</sup> were being fed with UF<sub>6</sub>, and another cascade of that same unit was in vacuum without UF<sub>6</sub>. The installation of the other 15 cascades at that unit is continuing. All nuclear material at FEP, as well as all installed cascades, remain under Agency containment and surveillance. Between the physical inventory taking (PIT) on 12 December 2007 and 6 May 2008, 2300 kg of UF<sub>6</sub> was fed into the operating cascades. This brings

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<sup>1</sup> There are two cascade halls planned at FEP, Production Hall A and Production Hall B. According to the design information submitted by Iran, the original 3000-machine unit is referred to as "Unit A24", one of the eight planned units for Production Hall A.

<sup>2</sup> Units A25, A26, A27 and A28.

<sup>3</sup> Unit A26.

the total amount of UF<sub>6</sub> fed into the cascades since the beginning of operations in February 2007 to 3970 kg.

3. On 10 April 2008, Iran informed the Agency about the planned installation of a new generation sub-critical centrifuge (IR-3) at the Pilot Fuel Enrichment Plant (PFEP). On 19 April 2008, the Agency confirmed that two IR-3 centrifuges had been installed at PFEP. In February 2008, Agency inspectors noted that Iran had also brought 20 IR-1 centrifuges into PFEP, which were run in a 20-machine cascade for a short time, after which they were removed.

4. Between 28 January and 16 May 2008, Iran fed a total of approximately 19 kg of UF<sub>6</sub> into the 20-machine IR-1 cascade, the single IR-2 centrifuges, the 10-machine IR-2 cascade and the single IR-3 centrifuges at PFEP. All nuclear material at PFEP, as well as the cascade area, remains under Agency containment and surveillance.

5. The results of the environmental samples taken at FEP and PFEP indicate that the plants have been operated as declared.<sup>4</sup> The samples showed low enriched uranium (with up to 4.0% U-235), natural uranium and depleted uranium (down to 0.4% U-235) particles. Iran declared enrichment levels in FEP of up to 4.7% U-235. Since March 2007, fourteen unannounced inspections have been conducted.

## **B. Reprocessing Activities**

6. 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 (DIV). There have been no indications of ongoing reprocessing related activities at those facilities. While Iran has stated that there have been no reprocessing related research and development (R&D) activities in Iran, the Agency can confirm this only with respect to these three facilities as the measures of the Additional Protocol are not available.

## **C. Heavy Water Reactor Related Projects**

7. On 13 May 2008, the Agency carried out design information verification at the Iran Nuclear Research Reactor (IR-40) and noted that construction of the facility was ongoing. The Agency has continued to monitor the status of the Heavy Water Production Plant using satellite imagery.

8. On 10 May 2008, the Agency conducted a DIV at the Fuel Manufacturing Plant (FMP). Although the pellet production process for the heavy water reactor fuel is almost complete and some test pellets have been produced, the fuel rod production and fuel assembling processes are still missing some essential equipment.

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<sup>4</sup> Results are available for samples taken up to 3 December 2007 for FEP and up to 15 March 2008 for PFEP.

## **D. Other Implementation Issues**

### **D.1. Uranium Conversion**

9. As of 12 May 2008, approximately 11 tonnes of uranium in the form of UF<sub>6</sub> had been produced since 3 February 2008. This brings the total amount of uranium in the form of UF<sub>6</sub> produced at the Uranium Conversion Facility (UCF) since March 2004 to 320 tonnes, all of which remains under Agency containment and surveillance. Iran has stated that it is not carrying out uranium conversion related R&D activities other than those at Esfahan.

### **D.2. Design Information**

10. 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.

11. In March and April 2008, Iran provided revised design information for FEP and PFEP, indicating that centrifuges in the new 18-cascade unit (A26) would be installed in FEP and that new types of centrifuges, IR-2 and IR-3, would be installed at PFEP. These changes are significant and as such should have been communicated to the Agency, in accordance with Code 3.1 of the Subsidiary Arrangements General Part, sixty days before the modifications were scheduled to be completed. The Agency was, however, able to ensure that all necessary safeguards measures, including containment and surveillance, were in place before UF<sub>6</sub> was fed into the newly installed centrifuges.

### **D.3. Other Matters**

12. Since February 2008, all fuel assemblies imported from the Russian Federation for use in the Bushehr Nuclear Power Plant have remained under Agency seal.

13. On 2 April 2008, the Agency requested Iran to provide, as a transparency measure, access to additional locations related, inter alia, to the manufacturing of centrifuges, R&D on uranium enrichment, and uranium mining and milling. To date, Iran has not agreed to the Agency's request.

## **E. Possible Military Dimensions**

14. In addition to the implementation of Iran's Additional Protocol, for the Agency to provide assurances regarding the absence of undeclared nuclear material and activities in Iran, Iran needs to, inter alia: resolve questions related to the alleged studies (GOV/2008/4, para. 35); provide more information on the circumstances of the acquisition of the uranium metal document (GOV/2008/4, para. 19); clarify procurement and R&D activities of military related institutes and companies that could be nuclear related (GOV/2008/4, paras 40–41); and clarify the production of nuclear equipment and components by companies belonging to defence industries (GOV/2004/11 para.37, GOV/2004/34 para.22).

15. During a meeting in Tehran on 21–22 April 2008, Iran agreed to address the alleged studies, the procurement and R&D activities of military related institutes and companies, and questions which had been raised in the Agency's letters of 8 February and 12 February 2008 (GOV/2008/4 para. 38) (See Annex, Section B.1). On 9 May 2008, the Agency submitted a request for additional clarifications relevant to the nature of Iran's nuclear programme (see Annex, Section B.2). Iran provided its response to these questions on 23 May 2008, which is being assessed by the Agency.

16. At follow up meetings in Tehran on 28–30 April and 13–14 May 2008, the Agency presented, for review by Iran, information related to the alleged studies on the green salt project, high explosives testing and the missile re-entry vehicle project (See Annex, Section A). This included information which Iran had declined to review in February 2008 (GOV/2008/4, paras 35, 37–39 and 42). This information, which was provided to the Agency by several Member States, appears to have been derived from multiple sources over different periods of time, is detailed in content, and appears to be generally consistent. The Agency received much of this information only in electronic form and was not authorised to provide copies to Iran.

17. One aspect of the alleged studies refers to the conversion of uranium dioxide to UF<sub>4</sub>, also known as green salt. A second aspect concerns the development and testing of high voltage detonator firing equipment and exploding bridgewire (EBW) detonators including, inter alia, the simultaneous firing of multiple EBW detonators; an underground testing arrangement (GOV/2008/4, para. 39); and the testing of at least one full scale hemispherical, converging, explosively driven shock system that could be applicable to an implosion-type nuclear device. A third aspect of the studies concerns development work alleged to have been performed to redesign the inner cone of the Shahab-3 missile re-entry vehicle to accommodate a nuclear warhead.

18. On 14 May 2008, Iran provided in writing its overall assessment of the documents presented to it by the Agency. Iran stated that the documents “do not show any indication that the Islamic Republic of Iran has been working on [a] nuclear weapon.” Iran also stated that the documents were not authentic, that they were “forged” or “fabricated”. Iran did not dispute that some of the information contained in the documents was factually accurate, but said the events and activities concerned involved civil or conventional military applications. Iran said the documents contained numerous inconsistencies and many were based on publicly available information. Iran stated that “the Islamic Republic of Iran has not had and shall not have any nuclear weapon program.”

19. Concerning the documents purporting to show that Iran had been working to develop an additional capability to convert uranium dioxide to UF<sub>4</sub> (green salt), Iran said it would not have made sense to launch such a project as it had already acquired the necessary technology for UCF.

20. Concerning the alleged work to design and build an EBW detonator and a suitable detonator firing unit, Iran acknowledged that it had conducted simultaneous testing with two to three EBW detonators with a time precision of about one microsecond. Iran said, however, that this was intended for civil and conventional military applications. Iran further stated, inter alia, that there was no evidence in the documents presented to it to link them to Iran.

21. Concerning the documents purporting to show administrative interconnections between the alleged green salt project and a project to modify the Shahab-3 missile to carry a nuclear warhead, Iran stated that, since some of the documents were not shown to it by the Agency, it could not make an assessment of them. Although the Agency had been shown the documents that led it to these conclusions, it was not in possession of the documents and was therefore unfortunately unable to make them available to Iran.

22. Concerning six technical reports purportedly related to efforts to engineer a new payload chamber for the Shahab-3 missile re-entry vehicle, Iran stated that the files were in electronic form and could therefore have been easily manipulated. Iran also stated, inter alia, that the documents were not complete and that the report structures varied, which raised serious doubts about their authenticity.

23. The Agency is continuing to assess the information and explanations provided by Iran. However, at this stage, Iran has not provided the Agency with all the information, access to documents and access to individuals necessary to support Iran’s statements. In light of the discussion on 14 May 2008, the Agency is of the view that Iran may have additional information, in particular on high explosives

testing and missile related activities, which could shed more light on the nature of these alleged studies and which Iran should share with the Agency.

24. It should be noted that the Agency currently has no information – apart from the uranium metal document – on the actual design or manufacture by Iran of nuclear material components of a nuclear weapon or of certain other key components, such as initiators, or on related nuclear physics studies. As regards the uranium metal document found in Iran, Pakistan has confirmed, in response to the Agency's request (GOV/2007/58 para.25), that an identical document exists in Pakistan.

25. Although the Agency did not detect any nuclear activities at Kolehdoz or Parchin (GOV/2003/75 para. 10, GOV/2005/67 para. 41, GOV/2005/87 para. 46, 2006/15 para. 32), the role of military related institutes, such as the Physics Research Center (PHRC), the Institute of Applied Physics (IAP) and the Education Research Institute (ERI) — and their staff — needs to be better understood, also in view of the fact that substantial parts of the centrifuge components were manufactured in the workshops of the Defence Industries Organization (GOV/2004/11 para. 37 and GOV/2004/34, para. 22). The Agency also needs to understand fully the reasons for the involvement of military related institutions in procurement for the nuclear programme.

## **F. Summary**

26. 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. However, Iran has not implemented the modified text of its Subsidiary Arrangements General Part, Code 3.1 on the early provision of design information.

27. The alleged studies on the green salt project, high explosives testing and the missile re-entry vehicle project remain a matter of serious concern. Clarification of these is critical to an assessment of the nature of Iran's past and present nuclear programme. Iran has agreed to address the alleged studies. However, it maintains that all the allegations are baseless and that the data have been fabricated.

28. The Agency's overall assessment of the nature of Iran's nuclear programme also requires, inter alia, an understanding of the role of the uranium metal document, and clarifications by Iran concerning some procurement activities of military related institutions, which remain outstanding. Substantive explanations are required from Iran to support its statements on the alleged studies and on other information with a possible military dimension. Iran's responses to the Agency's letter of 9 May 2008 were not received until 23 May 2008 and could not yet be assessed by the Agency. It is essential that Iran provide all requested information, clarifications and access outlined in this report without further delay. It should be emphasised, however, that the Agency has not detected the actual use of nuclear material in connection with the alleged studies.

29. Contrary to the decisions of the Security Council, Iran has not suspended its enrichment related activities, having continued the operation of PFEP and FEP and the installation of both new cascades and of new generation centrifuges for test purposes. Iran has also continued with the construction of the IR-40 reactor.

30. The Director General urges Iran to implement all measures required to build confidence in the peaceful nature of its nuclear programme, including the Additional Protocol, at the earliest possible date.

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

## A. Documents shown to Iran in connection with the alleged studies

### A.1. Green Salt Project

**Document 1:** A one page undated flowsheet purportedly originating from the Kimia Maadan Company (KM), which shows a process of bench scale conversion of  $UO_2$  to  $UF_4$  with a capacity of 1 tonne per year of  $UF_4$ . The document is entitled “Process Flow Diagram – Green Salt Production – Bench Scale”, bears the words “Kimia Maadan Group” and “Project 5/13”<sup>5</sup>, and includes a detailed legend of equipment and material balance information.

**Document 2:** A one page annotated letter of May 2003 in Farsi from an engineering company to KM requesting instructions regarding the supply of a programmable logic control (PLC) system.

### A.2. High Explosives Testing

**Document 1:** “Analysis and Review of Exploding Bridgewire (EBW) Detonator Test Results” dated January–February 2004, comprising 11 pages in Farsi reporting on work carried out by “Project 3.12” to design and construct an EBW detonator and a suitable detonator firing unit, including testing of about 500 EBW detonators.

**Document 2:** One page undated document in Farsi providing text and a schematic diagram for an underground testing arrangement. The diagram depicts a 400m deep shaft located 10km from a firing control point and shows the placement of various electronic systems such as a control unit and a high voltage power generator.

**Document 3:** Five page document in English describing experimentation undertaken with a complex multipoint initiation system to detonate a substantial amount of high explosive in hemispherical geometry and to monitor the development of the detonation wave in that high explosive using a considerable number of diagnostic probes.

### A.3. Missile Re-entry Vehicle

**Document 1:** One page piece of correspondence in Farsi, dated 3 March 2003, from M. Fakhrizadeh to Shahid Hemat Industrial Group (SHIG) management, referring to the “Amad Plan” and seeking assistance with the prompt transfer of data for “Project 111”.

**Document 2:** One page letter in Farsi, dated 14 March 2004, from a “Project 110” official to Dr Kamran advising him of the views of the project supervisors regarding the report relating to “Group E1” (part of “Project 111”).

**Document 3:** One page undated document in Farsi providing correspondence from the “Project 111 Office” to “Engineer Fakhrizadeh, Chief, Amad Plan,” referring to a meeting on 28 August 2002 and the provision of the “Project 111” progress report to a Ministry official.

**Document 4:** Fourteen page document in Farsi dated February–March 2003 entitled “Documentation Preliminary Training” which outlines, in both text and in copies of a presentation, the methodology to be adopted for the production and management of technical reports and documents.

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<sup>5</sup> The project for the construction of a UOC plant in Gchine was referred to as project 5/15 (GOV/2008/4, para. 28).

**Document 5:** Three page document comprising a cover letter in Farsi, dated 11 June 2002, from M. Fakhrizadeh to “Project Executive” requesting that monthly reports are to be provided to him by the 25<sup>th</sup> of each month in a specified format.

**Document 6:** Undated, five page document in Farsi from “Orchid Office” to “Design Management” summarizing the scientific activities of the “Project 111 Groups E1 – E6” and the “Vice Chair E.”

**Document 7:** Comprised of four presentations in Farsi providing an overview of “Project 111” from some time before December 2002 to January 2004. The documents detail various aspects of an unidentified entity’s effort to develop and construct a Shahab-3 re-entry vehicle capable of housing a new payload for the Shahab-3 missile system. The material includes a short film clip on the assembly of a dummy re-entry vehicle payload chamber.

**Document 8:** “Instructions for Assembling the Chamber Parts, Assembling the Payload Inside the Chamber, and Assembling the Chamber to Shahab-3 Warhead”, 18 pages in Farsi, dated December 2003–January 2004, produced by Group E6 of Project 111.

**Document 9:** “Explosive Control System. Construction and Design Report”, 48 pages in Farsi, dated December 2003–January 2004, produced by Project 111.

**Document 10:** “Assembly and Operating Guidelines for Explosive Control System”, 17 pages in Farsi, dated December 2003–January 2004, produced by the Groups E2 and E3 of Project 111.

**Document 11:** “Design and Construction of Explosive Control System”, 29 pages in Farsi, dated December 2003–January 2004, produced by Groups E2 and E3 of Project 111.

**Document 12:** “Finite Element Simulation and Transient Dynamic Analysis of the Warhead Structure”, 39 pages in Farsi, dated February–March 2003, produced by Group E5 of Project 111.

**Document 13:** “Implementation of Mass Properties Requirements of Shahab-3 Missile Warhead with New Payload, with the Use of Nonlinear Optimization Method”, 36 pages in Farsi, dated March–April 2003, produced by Group E4 of Project 111.

## **B. Other Questions**

### **B.1. Questions addressed in Agency letters of 8 and 12 February 2008**

1. The Agency asked about the possible involvement of an Institute of Applied Physics (IAP) staff member in Iran’s work on EBW detonators; procurement attempts by this person for borehole HP (Ge) gamma spectrometers (GOV/2008/4, para. 40); and Iran’s procurement attempts for spark gaps by another entity (GOV/2008/4, para. 40). Iran stated that the person concerned was not involved in work related to EBWs and that the procurement requests were related to well logging for the oil ministry. Iran denied that attempts were made to procure spark gaps by another entity. The Agency continues to assess the information provided by Iran.

2. Iran was also asked by the Agency to clarify the so-called “Project 4”, which could be related to possible uranium enrichment (GOV/2008/4, para. 41). Iran repeated its earlier statements that there had never been a Project 4 and that there had not been any uranium enrichment project in Iran except that carried out by the AEOI. The Agency continues to assess the information provided by Iran.

3. The Agency asked about the following projects: “Project 5/11/1”, Southern Plant, Bandar Abbas; “Project 5/11/2”, Conversion of yellowcake to UF<sub>6</sub>; and “Project 5/11/5”, R&D on Mining and Extraction. Iran denied the existence of these projects. The Agency continues to assess the information provided by Iran.

4. The Agency requested Iran to describe the purpose of visits abroad between 1998 and 2001 by Mr. Fakhrizadeh and other people known to be involved in Iran’s nuclear programme, and to specify the persons, companies and institutes with which meetings were held. Iran acknowledged that these visits took place, but declared that none of them were related to nuclear activities, including uranium enrichment, and provided no details. On 14 May 2008, the Agency re-iterated its request for a more detailed response.

5. In response to the Agency’s requests, Iran denied that procurement attempts were made for neutron sources in 2003. Iran also denied that it had attempted in 1997 to obtain training courses on neutron calculations, enrichment/isotope separation, shock wave software, neutron sources and ballistic missiles (GOV/2008/4, para. 40). The Agency had also enquired about the reasons for inclusion in the curriculum vitae of an IAP employee of a Taylor-Sedov equation for the evolving radius of a nuclear explosion ball with photos of the 1945 Trinity test. Iran indicated that the IAP scientist had been working on dimensional analysis and had included in his resume references available in open sources. The Agency was not permitted to meet with the individuals relevant to these issues and continues to assess the information provided by Iran.

## **B.2. Questions addressed in Agency letter of 9 May 2008**

6. The Agency asked Iran for additional clarifications regarding Iran’s nuclear programme. The questions concerned, inter alia:

- (a) information about a high level meeting in 1984 on reviving Iran’s pre-revolution nuclear programme;
- (b) information about a letter published by the Chairman of the Expediency Council in September 2006 which makes reference to possible acquisition of nuclear weapons;
- (c) attempts by a former head of the Physics Research Centre (PHRC) and by the SHIG to procure certain nuclear use and dual use items on behalf of the Technical University and the AEOI (GOV/2008/4/ para. 18);
- (d) the scope of a visit by AEOI officials to a nuclear installation in Pakistan in 1987;
- (e) information on meetings between Iranian officials and members of the supply network in 1993 in Dubai;
- (f) the role of the Central Islamic Revolutionary Committee in procurement transactions with the supply network in 1989;
- (g) whether the following projects have existed or still exist, their purpose, present status and the entities involved: “Project 4/8”, “Project 3.14”, “Project 8”, “Project 13 (Project 44)”, “Group 14”, “Project 10”, “Project 19” and “Project 159”;
- (h) supporting documents about the order of aluminum bars and sheets that were presented to the Agency on 27 January 2006 (GOV/2006/15, para. 37);
- (i) the nature, intended purpose and application of the radiation monitoring equipment which a staff member of IAP attempted to acquire in 1998;

- (j) information about the purpose of work done by the Pishgam company around 2000 related to the design of a PUREX based process for the AEOI; and
- (k) an agreement which, according to open source information, was signed on 21 January 1990 by Iran's Minister of Defence and Armed Forces Logistics to build a 27 MW reactor in Esfahan.



## Permanent Mission of the Islamic Republic of Iran to the United Nations

622 Third Ave New York, NY 10017 www.Iran-UN.org Tel:+1(212)687-2020 Fax:+1(212)867-7086 E-mail:iran@un.int

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In the name of God, the Compassionate, the Merciful

No. 178

13 May 2008

Excellency,

I have the honour to submit, hereattached, a copy of the letter addressed to the Secretary-General of the United Nations by H.E. Mr. Manouchehr Mottaki, Foreign Minister of the Islamic Republic of Iran concerning the Islamic Republic of Iran's proposed package for constructive negotiations. An unofficial translation of the letter and its annex is also enclosed.

Please accept, Excellency, the assurances of my highest consideration.

Mohammad Khazaei  
Ambassador  
Permanent Representative

H.E. Sir. John Sawers  
President of the Security Council  
United Nations  
New York

13 May 2008

Excellency,

As I informed you in my previous communications, the Islamic Republic of Iran, as a responsible Member State of the United Nations Organization, and based on its international rights and obligations, has always emphasized on the importance of multilateralism. Unfortunately, a few countries, with political motivations and objectives, have raised some ambiguities over Iran's exclusively peaceful nuclear program and have used the UN Organs as a tool, thus, undermining the integrity and credibility of the United Nations.

Whereas the International Atomic Energy Agency (IAEA) has, time and again, confirmed the non-diversion of Iran's nuclear program, and based on the agreed work plan between Iran and the Agency the remaining issues are completely resolved, and while the nuclear program of the Islamic Republic of Iran and all nuclear activities of our country are currently under the full-scope Safeguards of the IAEA, the UN Security Council has persisted on its illegal measures.

I have already brought to Your Excellency's attention, in details, my Government's arguments and reasoning regarding the unlawfulness of the intervention of the UN Security Council in Iran's peaceful nuclear program. Indeed, the Islamic Republic of Iran still maintains that constructive interaction and reasonable and just negotiations, without preconditions and based on mutual respect, is the basic solution for the promotion and improvement of international situations and circumstances. On the same basis, the Islamic Republic of Iran is ready to negotiate with the 5+1 Group within a specific framework on issues of mutual interest. The Islamic Republic of Iran is of the view that resorting to the two-track approaches that comprise intimidation and negotiation not only will not help resolving issues but will indeed further complicate the situation.

The Iranian nation is a peace-loving nation that has spared no efforts to contribute to global peace and stability. Iran's capabilities and power can contribute to the regional and international peace and stability. The Islamic Republic of Iran believes that sustainable regional and international peace and stability, economic relations, free trade, energy security, combating terrorism and narcotic drugs, as well as peaceful uses of nuclear energy provide appropriate common grounds for long-term and sustainable cooperation.

Given the present circumstances at the regional and international levels, the Islamic Republic of Iran considers the introduction of a new and comprehensive initiative, aimed at achieving sustainable and constructive interaction, as an imperative. On its part, the

Islamic Republic of Iran, following thorough and proficient studies and considerations, has carefully prepared a package containing important initiatives and proposals in different political, security, economic and nuclear fields, to be submitted to countries of the 5+1 Group. This package has been prepared as a basis for comprehensive and thorough negotiations with the said countries based on collective commitments as well as justice, sovereignty and mutual respect. We are of the firm belief that the present package will provide an exceptional opportunity for real and serious cooperation among the concerned parties.

I would like to emphasize on this important point that the principled approach of the Islamic Republic of Iran towards this package is that of a strategic one. Therefore, I hope that the concerned parties would acknowledge the importance of the proposed package and its substance, as a comprehensive solution to the regional and global problems and challenges. The package can be a basis for long-term cooperation. I hope the concerned parties would welcome it and would deal with it constructively.

Manuchehr Mottaki  
Minister of Foreign Affairs  
of the Islamic Republic of Iran

H.E. Mr. Ban Ki-moon  
Secretary-General  
United Nations  
New York

### **The Islamic Republic of Iran's Proposed Package for Constructive Negotiations**

Stressing on the respect for the principles of justice, abidance by law, recognition of the rights of nations, respect for the sovereignty of states, reinforcement of regional and international peace, abstaining from monopolistic actions and threats, respect for democracy, human values and cultures of different nations; and rejecting the injustice and lawless behaviors towards the rights of nations;

The Islamic Republic of Iran believes that there is an extensive range of issues such as security issues, regional and international developments, nuclear energy, terrorism, democracy, etc. that provide a substantive potential for cooperation.

To the above are added other fields that include drug control, environmental conservation, and economic, technological, commercial - especially energy – cooperation, that provide other excellent possibilities and avenues for constructive cooperation.

Therefore, in view of the developments that have unfolded internationally and across the region, there is a need for a new and a more advanced plan for interaction. In this new round of negotiations, the main objective of the Islamic Republic of Iran is to reach a comprehensive agreement, one that is based on collective goodwill- that will help to establish long-term cooperation between the parties, and will contribute to the sustainability and strength of regional and international security and a just peace.

We also believe that in its later stages, the negotiations have the capacity to invite other capable and interested states to join it and explore the possibility of cooperation within parameters of the package. The main outcome of this new round of negotiations would be an agreement on "collective commitments" to cooperate on economic, political, regional, international, nuclear and energy security issues.

Therefore, we are willing to start wide-ranging and comprehensive negotiations on the following issues:

#### **A- Political and Security Issues:**

1- One of the most important concerns of humanity is the need to protect the rights and dignity of human being and respect for the culture of other nations. A dialogue, for the appropriate realization of this, is necessary.

2- Talks on bolstering a just peace and advancement of democracy in the region and around the world. The talks will be based on:

- Respect for the rights of nations and their national interests.

- Support for the national sovereignty of states- based on democratic methods.
- Prevention of terrorism and its contributing factors.

On the above basis, the Islamic Republic of Iran is willing to enter into talks on cooperation to strengthen a just peace and bolster the stability and the advancement of democracy in regions that suffer from instability, militarism, violence and terrorism. Such cooperation can take place in different parts of the world- more specifically in the Middle East, the Balkans, Africa, and Latin America. Cooperation to assist the Palestinian people to find a comprehensive plan- one that is sustainable, democratic and fair- to resolve the 60-year old Palestinian issue can become a symbol of such collaboration.

3- Fighting common security threats, and talks and collective collaborations on combating the factors which contribute to and create security threats, including:

- Terrorism
- Drugs
- Illegal immigration
- Organized crimes

#### **B- Economic Issues:**

- 1- Cooperation on the provision of energy and its security- in the fields of production, provision, transportation and consumption.
- 2- Cooperation on trade and investment.
- 3- A common effort to help fight poverty in less developed countries and to reduce the divide between social classes.
- 4- Reducing the impact of sharp price fluctuations and retooling global monetary and financial arrangements to benefit the nations of the world.

#### **C- The Nuclear Issue:**

With regard to the nuclear issue, Iran is ready- in a comprehensive manner, and as an active and influential member of the NPT and the IAEA- to consider the following issues:

- 1- Obtaining a further assurance about the non-diversion of the nuclear activities of different countries.
- 2- Establishing enrichment and nuclear fuel production consortiums in different parts of the world- including in Iran.
- 3- Cooperation to access and utilize peaceful nuclear technology and facilitating its usage by all states.
- 4- Nuclear disarmament and establishment of a follow up committee.
- 5- Improved supervision by the IAEA over the nuclear activities of different states.
- 6- Joint collaboration over nuclear safety and physical protection.
- 7- An effort to encourage other states to control the export of nuclear material and equipment.

**D-** Within the parameters of this package, the Islamic Republic of Iran is ready to start serious and targeted negotiations to produce a tangible result. The negotiations can be evaluated after a specific period of time (a maximum of 6 months) to decide about its continuation .



شماره \_\_\_\_\_  
تاریخ \_\_\_\_\_  
پرست \_\_\_\_\_

وزیر امور خارجه

بسمه تعالی

جناب آقای بان کی مون  
دبیرکل محترم سازمان ملل متحد

همانگونه که در مکاتبات قبلی به اطلاع رسید، جمهوری اسلامی ایران به عنوان یک کشور مسئول از اعضای سازمان ملل متحد بر اساس حقوق و تعهدات بین المللی خود همواره بر اهمیت چندجانبه گرایی تاکید نموده است. متأسفانه، چند کشور خاص با اهداف و اغراض سیاسی با طرح ابهاماتی پیرامون برنامه کاملاً صلح آمیز هسته‌ای ایران به استفاده ابزاری از ارگان های سازمان ملل اقدام نمودند که ضربه‌ای بر حیثیت و اعتبار سازمان محسوب می‌شود. با وجود این که آژانس بین‌المللی انرژی اتمی بارها و به طور مکرر بر عدم انحراف در برنامه هسته‌ای ایران تاکید نموده و بر اساس برنامه کاری توافق شده بین ایران و آژانس مسائل باقی مانده کاملاً حل و فصل شده‌اند و در حال حاضر تمامی فعالیت ها و برنامه هسته‌ای ایران تحت نظارت کامل آژانس قرار دارد، اما شورای امنیت سازمان ملل به اقدامات غیر قانونی خود ادامه داده است.

اینجانب طی نامه‌ای به طور متقن و مفصل، مبانی و استدلالات جمهوری اسلامی ایران در خصوص دخالت غیر منطقی و غیرقانونی شورای امنیت در موضوع هسته‌ای را قبلاً به اطلاع جنابعالی رسانده‌ام. از طرف دیگر، جمهوری اسلامی ایران، تعامل سازنده، مذاکرات منطقی، عادلانه، بدون پیش شرط و بر مبنای احترام متقابل را همچنان راه حل اساسی برای ارتقاء و بهبود اوضاع و شرایط بین‌المللی، می‌داند. بر این مبنای، جمهوری اسلامی ایران آماده است با گروه ۵+۱ در یک چارچوب مشخص و مورد علاقه مشترک مذاکره نماید. جمهوری اسلامی ایران معتقد است اتخاذ رهیافت های دو سویه مبتنی بر تهدید و مذاکره نه تنها هیچ کمکی به حل موضوعات نمی‌کند، بلکه بیشتر به پیچیده‌تر شدن اوضاع می‌انجامد. ملت ایران، ملتی صلح طلب می‌باشد که از هیچ تلاشی برای دستیابی به صلح و

ثبات جهانی دریغ نکرده است. قدرت و قابلیت‌های جمهوری اسلامی ایران می‌تواند به صلح و ثبات منطقه‌ای و بین‌المللی کمک نماید. از طرف دیگر، جمهوری اسلامی ایران بر این باور است که صلح و امنیت پایدار منطقه‌ای و بین‌المللی، روابط اقتصادی، تجارت آزاد، امنیت انرژی، مبارزه با تروریسم و مواد مخدر و بهره‌گیری از انرژی هسته‌ای برای مقاصد صلح‌آمیز، زمینه‌های مشترک بسیار خوبی را برای همکاری‌های درازمدت پایدار فراهم می‌سازد. با توجه به شرایط موجود در سطوح منطقه‌ای و بین‌المللی، جمهوری اسلامی ایران ارائه طرحی نو و کامل را با هدف نیل به همکاری‌های پایدار و تعامل سازنده ضروری می‌داند.

جمهوری اسلامی ایران به سهم خود، پس از مطالعات و بررسی‌های گسترده و کارشناسی عمیق، بسته‌ای از پیشنهادات و ابتکارهای بسیار مهم را در حوزه‌های مختلف سیاسی، امنیتی، اقتصادی و هسته‌ای با دقت فراوان طراحی و تدوین کرده است که به کشورهای گروه ۵+۱ ارائه می‌شود. این بسته براساس عدالت، حاکمیت و احترام متقابل و به عنوان اساسی برای آغاز مذاکراتی فراگیر و همه‌جانبه با این کشورها بر مبنای تعهدات دسته‌جمعی تهیه شده است. اعتقاد راسخ داریم که بسته حاضر یک فرصت استثنایی را برای همکاری واقعی و جدی فی‌مابین طرفهای ذیربط فراهم خواهد نمود. مایلیم بر این نکته بسیار مهم تأکید نمایم که رویکرد اصلی جمهوری اسلامی ایران به این بسته پیشنهادی، رویکردی راهبردی است. لذا، امیدوارم طرفهای ذیربط به خوبی به اهمیت موضوع و محتوای بسته پیشنهادی به عنوان راه حل جامع مشکلات و چالشهای منطقه‌ای و جهانی و مبنایی برای همکاری‌های درازمدت پی‌برده و با نگرشی سازنده با آن برخورد و از آن استقبال نمایند.

منوچهر متکی

وزیر امور خارجه

## بسته پیشنهادی جمهوری اسلامی ایران برای مذاکرات سازنده

با تاکید بر ضرورت پایبندی به اصول عدالت، قانون‌گرایی، به رسمیت شناختن حقوق ملت‌ها، احترام به حق حاکمیت کشورها، تحکیم صلح و ثبات منطقه‌ای و جهانی، پرهیز از انحصارگرایی و تهدید، احترام به دموکراسی، ارزشهای انسانی و فرهنگ ملت‌ها و با اعلام برائت از بی‌عدالتیها و بی‌قانونیهای اعمال شده نسبت به حقوق ملت‌ها؛

جمهوری اسلامی ایران معتقد است طیف وسیعی از موضوعات نظیر مسائل امنیتی، تحولات منطقه‌ای و جهانی، انرژی هسته‌ای، تروریسم، دموکراسی و ... وجود دارد که به طور جدی ظرفیت زیادی را برای همکاری دارا می‌باشد این مباحث در کنار موضوعاتی نظیر مبارزه با مواد مخدر و حفظ محیط زیست، مسائل اقتصادی، تکنولوژیک، تجاری و به ویژه انرژی، فرصت‌ها و زمینه‌های بسیار خوبی را برای همکاریهای سازنده فراهم می‌آورد. لذا، با توجه به تحولات حادث در سطح منطقه‌ای و جهان، ارائه طرحی نو و تکامل یافته از تعامل ضرورت می‌یابد.

هدف اصلی جمهوری اسلامی ایران در دور جدید مذاکرات، توافق همه جانبه مبتنی بر حسن نیت دسته جمعی برای تحقق همکاریهای بلندمدت طرفین و تحکیم صلح و امنیت پایدار منطقه‌ای و بین‌المللی مبتنی بر عدالت می‌باشد ما بر این باوریم که این مذاکرات ظرفیت آن را دارد که در ادامه از سایر دولتهایی که برای همکاری حول این بسته ظرفیتهای و علائق لازم را دارند نیز دعوت به عمل آید نتیجه اصلی دور جدید مذاکرات، توافق درباره «تعهدات دسته جمعی» در زمینه همکاریهای اقتصادی، سیاسی منطقه‌ای - بین‌المللی، هسته‌ای و امنیت انرژی است. لذا، ما آمادگی داریم مذاکرات همه جانبه و فراگیری را بر مبنای موضوعات ذیل آغاز نمائیم:

### الف) موضوعات سیاسی و امنیتی:

- ۱- دفاع از حقوق و کرامت انسانها و احترام به فرهنگ ملت‌ها از مهمترین دغدغه‌های جامعه بشری است که گفتگو برای تحقق شایسته آن ضرورت دارد.
- ۲- گفتگو درباره تقویت، ثبات و تحکیم صلح عادلانه و پیشرفت مردم سالاری در جهان و منطقه بر مبنای:

- احترام به حقوق ملت‌ها و منافع ملی آنها؛
- کمک به حاکمیت ملی کشورها بر مبنای روشهای مردم سالارانه؛
- جلوگیری از خشونت و نظامی‌گری؛
- جلوگیری از تروریسم و عوامل ایجاد کننده و تقویت کننده آن

بر این مینا، جمهوری اسلامی ایران آماده گفتگو برای همکاری در جهت تقویت ثبات و تحکیم صلح عادلانه و پیشرفت مردم سالاری در مناطقی است که از بی‌ثباتی، نظامی‌گری، خشونت و تروریسم رنج می‌برند، این همکاری می‌تواند در نقاطی از جهان به خصوص خاورمیانه، بالکان، آفریقا و آمریکای جنوبی شکل گیرد. همکاری برای کمک به مردم فلسطین در جهت یافتن طرحی جامع، پایدار، دموکراتیک و عادلانه برای حل موضوع ۶۰ ساله فلسطین می‌تواند نمونه‌ای از این همکاری‌ها باشد.

۳- مبارزه با تهدیدهای مشترک امنیتی و گفتگو برای تحقق همکاری دسته جمعی جهت مبارزه با عوامل ایجاد کننده و تقویت کننده تهدیدهای امنیتی ذیل:

- تروریسم؛

- مواد مخدر؛

- مهاجرت‌های غیر قانونی؛

- جرائم سازمان یافته.

#### ب) موضوعات اقتصادی:

- ۱- همکاری در زمینه انرژی و امنیت آن در عرصه‌های تولید، عرضه و انتقال و مصرف.
- ۲- همکاری در زمینه تجارت و سرمایه گذاری.
- ۳- کمک عمومی به رفع فقر از کشورهای ضعیف و تلاش برای کاهش فقر و فاصله طبقاتی.
- ۴- کاهش آسیب‌های ناشی از نوسانات شدید قیمتها و باز تنظیم مناسبات پولی و مالی جهان برای حمایت از کشورهای جهان.

#### ج) موضوع هسته‌ای

- در ارتباط با موضوع هسته‌ای، ایران آماده است در یک نگرش جامع و به عنوان عضوی فعال و موثر از NPT و آژانس، موضوعات ذیل را در دستور کار قرار دهد:
- ۱- حصول اطمینان بیشتر از عدم انحراف فعالیت هسته‌ای کشورها؛
  - ۲- ایجاد کنسرسیوم غنی‌سازی و تولید سوخت هسته‌ای در نقاط مختلف دنیا از جمله ایران؛
  - ۳- همکاری مشترک برای دست یابی و بهره‌گیری از فناوری صلح آمیز هسته‌ای و تسهیل بهره‌مندی عموم کشورها از آن؛
  - ۴- تحقق خلع سلاح هسته‌ای و تعیین کمیته‌ای برای پیگیری این موضوع؛
  - ۵- تقویت نظارت آژانس بر فعالیت هسته‌ای کشورها؛
  - ۶- همکاری‌های مشترک در ایمنی و حفاظت فیزیکی هسته‌ای؛
  - ۷- تلاش در تشویق کشورها در اعمال کنترل صادرات تجهیزات و مواد هسته‌ای.

د) جمهوری اسلامی ایران در چارچوب این بسته آماده شروع مذاکراتی جدی و هدفمند برای نیل به نتیجه‌ای مشخص می‌باشد. این مذاکرات می‌تواند پس از دوره‌ای مشخص (حداکثر ۶ ماه) مورد ارزیابی قرار گرفته و درباره ادامه آن تصمیم‌گیری شود.

LETTER FROM E3+3 FOREIGN MINISTERS AND JAVIER SOLANA TO  
IRANIAN FOREIGN MINISTER, DELIVERED IN TEHRAN ON 14 JUNE 2008

HE Manuchehr Mottaki

Minister of Foreign Affairs of the Islamic Republic of Iran

Tehran

12 June 2008

Iran is one of the oldest civilisations in the world. Its people are justifiably proud of their history, culture and heritage. It sits at a geographical crossroads. It has vast natural resources and great economic potential, which its people should be reaping to the full.

But in recent years, Iran's relationship with the international community has been overshadowed by growing tension and mistrust, since there remains a lack of confidence in Iran's nuclear programme. We have supported the IAEA's efforts to address this with Iran but successive IAEA reports have concluded that it is not able to provide credible assurances about the absence of undeclared nuclear material and activities in Iran. Two years ago, the IAEA referred the matter to the UN Security Council, which has now passed four Resolutions calling on Iran to comply with its obligations.

We, the Foreign Ministers of China, France, Germany, Russia, the United Kingdom and the United States of America, joined in this endeavour by the European Union High Representative for the Common Foreign and Security Policy, are convinced that it is possible to change the present state of affairs. We hope that Iran's leaders share the same ambition.

In June 2006, we set out an ambitious proposal for a broad-based negotiation. We offered to work with Iran on a modern nuclear energy programme, with a guaranteed fuel supply. We were also prepared to discuss political and economic issues, as well as issues regarding regional security. These proposals were carefully considered and designed to address Iran's essential interests and those of the international community.

Today, bearing in mind the provisions of UN Security Council resolution 1803, we restate our offer to address constructively these important concerns and interests.

Our proposals are attached to this letter. Iran is, of course, free to suggest its own proposals. Formal negotiations can start as soon as Iran's enrichment-related and reprocessing activities are suspended. We want to be clear that we recognise Iran's rights under the international treaties to which it is a signatory. We fully understand the importance of a guaranteed fuel supply for a civil nuclear programme. We have supported the Bushehr facility. But with rights come responsibilities, in particular to restore the confidence of the international community in Iran's programme. We are ready to work with Iran in order to find a way to address Iran's needs and the international community's concerns, and reiterate that once the confidence of the international community in the exclusively peaceful nature of your nuclear programme is restored, it will be treated in the same manner as that of any Non-Nuclear Weapon State party to the Non Proliferation Treaty.

We ask you to consider this letter and our proposals carefully and hope for an early response. The proposals we have made offer substantial opportunities for political, security and economic benefits to Iran and the region. There is a sovereign choice for Iran to make. We hope that you will respond positively; this will increase stability and enhance prosperity for all our people.

## **Possible Areas of Cooperation with Iran**

In order to seek a comprehensive, long-term and proper solution of the Iranian nuclear issue consistent with relevant UN Security Council resolutions and building further upon the proposal presented to Iran in June 2006, which remains on the table, the elements below are proposed as topics for negotiations between China, France, Germany, Iran, Russia, the United Kingdom, and the United States, joined by the High Representative of the European Union, as long as Iran verifiably suspends its enrichment-related and reprocessing activities, pursuant to OP 15 and OP 19(a) of UNSCR 1803. In the perspective of such negotiations, we also expect Iran to heed the requirements of the UNSC and the IAEA. For their part, China, France, Germany, Russia, the United Kingdom, the United States and the European Union High Representative state their readiness:

- to recognize Iran's right to develop research, production and use of nuclear energy for peaceful purposes in conformity with its NPT obligations;
- to treat Iran's nuclear programme in the same manner as that of any Non-nuclear Weapon State Party to the NPT once international confidence in the exclusively peaceful nature of Iran's nuclear programme is restored.

## **Nuclear Energy**

- Reaffirmation of Iran's right to nuclear energy for exclusively peaceful purposes in conformity with its obligations under the NPT.
- Provision of technological and financial assistance necessary for Iran's peaceful use of nuclear energy, support for the resumption of technical cooperation projects in Iran by the IAEA.
- Support for construction of LWR based on state-of-the-art technology.
- Support for R&D in nuclear energy as international confidence is gradually restored.
- Provision of legally binding nuclear fuel supply guarantees.
- Cooperation with regard to management of spent fuel and radioactive waste.

## **Political**

- Improving the six countries' and the EU's relations with Iran and building up mutual trust.
- Encouragement of direct contact and dialogue with Iran.
- Support Iran in playing an important and constructive role in international affairs.
- Promotion of dialogue and cooperation on non-proliferation, regional security and stabilisation issues.
- Work with Iran and others in the region to encourage confidence-building measures and regional security.
- Establishment of appropriate consultation and co-operation mechanisms.
- Support for a conference on regional security issues.
- Reaffirmation that a solution to the Iranian nuclear issue would contribute to non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery.
- Reaffirmation of the obligation under the UN Charter 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 Charter of the United Nations.

- Cooperation on Afghanistan, including on intensified cooperation in the fight against drug trafficking, support for programmes on the return of Afghan refugees to Afghanistan; cooperation on reconstruction of Afghanistan; cooperation on guarding the Iran-Afghan border.

### **Economic**

Steps towards the normalization of trade and economic relations, such as 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.

### **Energy Partnership**

Steps towards the normalization of cooperation with Iran in the area of energy: establishment of a long-term and wide-ranging strategic energy partnership between Iran and the European Union and other willing partners, with concrete and practical applications/measures.

### **Agriculture**

- Support for agricultural development in Iran.
- Facilitation of Iran's complete self-sufficiency in food through cooperation in modern technology.

### **Environment, Infrastructure**

- Civilian Projects in the field of environmental protection, infrastructure, science and technology, and high-tech:
  - = Development of transport infrastructure, including international transport corridors.
  - = Support for modernisation of Iran's telecommunication infrastructure, including by possible removal of relevant export restrictions.

### **Civil Aviation**

- Civil aviation cooperation, including the possible removal of restrictions on manufacturers exporting aircraft to Iran:
  - = enabling Iran to renew its civil aviation fleet;
  - = assisting Iran to ensure that Iranian aircraft meet international safety standards.

### **Economic, social and human development/humanitarian issues**

- Provide, as necessary, assistance to Iran's economic and social development and humanitarian need.

- Cooperation/technical support in education in areas of benefit to Iran:
  - = Supporting Iranians to take courses, placements or degrees in areas such as civil engineering, agriculture and environmental studies;
  - = Supporting partnerships between Higher Education Institutions e.g. public health, rural livelihoods, joint scientific projects, public administration, history and philosophy.
- Cooperation in the field of development of effective emergency response capabilities (e.g. seismology, earth quake research, disaster control etc.).
- Cooperation within the framework of a "dialogue among civilizations".

### **Implementation mechanism**

- Constitution of joint monitoring groups for the implementation of a future agreement.



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