An explanatory memorandum, and a draft resolution on the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, submitted by the Resident Representatives of France, Germany and the United Kingdom, by letter dated 1 February 2006, are herewith circulated.

Memorandum of Explanation for the proposal contained in the letter to the Chairman of the Board of Governors, dated 18 January 2006, from the representatives of France, Germany and the United Kingdom

On 18 January 2006(), the representatives of France, Germany and the United Kingdom wrote to the Chairman of the Board of Governors to request that the Board meet on 2 February to discuss the situation concerning the Iranian nuclear programme in the light of the Agency’s statute, the implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran and related Board resolutions.

By way of explanation for this request, the Governments of France, Germany and the United Kingdom wish to recall the following.

In its resolution of 24 September 2005, the Board noted that the Agency was not in a position to clarify some important outstanding issues after two and a half years of intensive inspections and that Iran’s full transparency was indispensable and overdue. The resolution further noted that the Agency was not in a position to conclude that there are no undeclared nuclear materials or activities in Iran. In previous resolutions, the Board had underlined that full and sustained suspension of Iran’s enrichment related and reprocessing activities as a voluntary confidence building measure was essential to addressing outstanding issues.

In document GOV/INF/2006/1, the Director General reported that he had received a Note Verbale from the Permanent Mission of the Islamic Republic of Iran informing him of Iran’s decision to resume “R & D activities on the peaceful nuclear energy programme which has been suspended as part of its voluntary and non-legally binding suspension”.

In document GOV/INF/2006/2, the Director General reported that Iran had started to remove Agency seals at Natanz and various other locations in the country. The Governments of France, Germany and the United Kingdom believe that Iran’s resumption of enrichment related activities is inconsistent with the maintenance of the suspension requested by the Board.

The Governments of France, Germany and the United Kingdom believe it would be appropriate for the Board to consider the situation to which these developments have given rise. The Governments of France, Germany and the United Kingdom submit for the Board’s consideration a draft resolution on “Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran” and request that the Board agenda reflect the title of this draft resolution.

The Governments of France, Germany and the United Kingdom intend to hold extensive consultations on this draft in the course of the meeting they have requested.
1 Feb. 2006

DRAFT RESOLUTION ON THE IMPLEMENTATION OF THE NPT SAFEGUARDS AGREEMENT IN THE ISLAMIC REPUBLIC OF IRAN

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 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,

(f) 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,

(g) 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),

(h) 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),

(i) 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 UF6 to metal in small quantities, and on the casting and machining of enriched, natural and depleted uranium metal into hemispherical forms,

(j). Expressing serious concerns about Iran's nuclear programme, and agreeing that an extensive period of confidence-building is required from Iran,

(k). Reaffirming the Board's resolve to continue to work for a diplomatic solution to the
Iranian nuclear issue.

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 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 the Board lacks confidence in its 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 unresolved questions; and to reconsider its position both in relation to confidence-building measures and 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. 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 to the next regular session of the Board on the implementation of this and previous resolutions and convey to the Security Council that report together with any Resolution from the March Board;

9. Decides to remain seized of the matter.