(Errors in paragraph 3 corrected)

A FLAWED IAEA-IRAN AGREEMENT ON RESOLVING OUTSTANDING ISSUES

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The IAEA released yesterday the text of an August 21 understanding between Iran and the IAEA on "modalities of resolution of the outstanding issues." The agreement is an unusual one in several respects, and merits especially close reading by members of the IAEA Board in advance of the September 10 meeting.

Our assessment is that the document is flawed in important ways, and that members of the IAEA Board of Governors should seek clarification on the parameters of this agreement from both Iran and the IAEA at its earliest opportunity.

The "understanding" sets forth a timetable for the resolution of outstanding questions about Iran's past nuclear activities. The IAEA agreed to submit in writing all of its questions by September 15, 2007. Iran would then answer these questions in a phased manner.

The agreement states that aside from the issues identified in the document, there are "no other remaining issues and ambiguities regarding Iran's past nuclear program and activities." This is a sweeping statement that sets an unfortunate precedent regarding Iran's past nuclear activities, about which little is known in important areas. The document also refers to closing files, suggesting that IAEA or member states could be blocked from raising the issue again, even if significant new information emerged. The idea of "closing files" violates fundamental safeguards principles.

The agreement does not specify that Iran would provide the IAEA access to key people, facilities, and documents that are needed to verify Iranian answers to the IAEA's questions. Previous IAEA reports have noted the need for access to specific people and places¹. Without verification, Iranian answers cannot be accepted as truthful, given the many times Iran has misled IAEA inspectors.

It also does not mention the matter of Iran's adherence to the Additional Protocol, without which it is all but impossible for the IAEA to ensure that Iran does not have undeclared nuclear materials and facilities, or verify Iran's statements under this agreement.

The document's language appears to reflect an effort by Iran to preclude the IAEA raising questions in the future about inconsistencies or troubling developments in its

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¹ Iran's report of August 31, 2006, (GOV/2006/53) references this issue in paragraph 25.

nuclear program. Of special concern is the statement "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." The peaceful nature of Iran's nuclear program is a function of several issues, not simply the diversion or non-diversion of declared nuclear material.

We also note that the timetable for answering the IAEA's questions effectively draws out the process until late 2007 and possibly early 2008, well after the IAEA is to submit its "final questions."

Iran's desire to establish definitively the peaceful nature of its nuclear program is an understandable one, in particular in light of possible further UN Security Council sanctions over Iran's refusal to halt its enrichment activity. It is important however that the IAEA not relinquish its ability to continue investigating Iran's past and future actions.