



SECURITY COUNCIL REPORT

UPDATE REPORT



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IRAN

Expected Council Action

France and the UK are now sponsoring a draft resolution imposing sanctions against Iran for its non-compliance with previous resolutions from the International Atomic Energy Agency (IAEA) Board of Governors and Security Council resolutions requesting it to suspend enrichment-related and reprocessing activities.

The draft emerged from the P5 and Germany (P5+1) consultations which have been undertaken with varying bursts of intensity since 31 August when the IAEA reported that Iran had failed to meet its obligations under resolution 1696 to suspend enrichment.

The draft resolution is being considered in the Council at the experts level. It seems that there is substantial agreement among the P5+1 on the draft (although some details remain to be agreed). It is expected that the resolution will be put in blue and voted on before Christmas.

Recent Developments

Since our last report on Iran (please refer to our December 2006 *Monthly Forecast*), the political directors of the EU3+3 (France, Germany, UK, US, Russia and China) met in Paris on 5 December to discuss major amendments to the draft resolution presented by Russia. They agreed on an approach which would avoid any questioning of Iran's rights to peaceful nuclear activities, as allowed by the Non-Proliferation Treaty (NPT). They agreed in practice to restrict sanctions to "proliferation sensitive" activities.

A draft prepared by the EU3 was finalised on 7 December and presented by France and the UK to the other Council members informally on 8 December. The first meeting at the experts' level among the 15 members was held on 11 December.

New Draft Resolution

The new draft differs from the 24 October EU3 draft in that it responds to the Russian concerns while keeping what the Europeans consider as priorities.

1. The scope of the embargo was reduced to include specifically those items and activities that are "proliferation sensitive". It also covers enrichment and reprocessing activities and related research and development activities. In practice this involves modifying the list of nuclear and ballistic items put forward by the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR) as in S/2006/814 and S/2006/815. Only certain sections will now be applicable for the embargo. Differentiating between "proliferation sensitive" and non-proliferation sensitive materials may be an important practical task given to the Sanctions

Committee. (But, given the complexities of defining what “proliferation sensitive” items are, this could lead to very significant challenges for the Committee).

2. Regarding missiles, Unmanned Aerial Vehicles (UAVs) of a range below 300 kilometers would be exempted from embargo.
3. Light water reactors are not seen as “proliferation sensitive” in the list of nuclear items. Therefore, provisions for exemptions of the Russian Bushehr project (a light-water project) have been deleted from the original draft.
4. In order to remain consistent with language used in resolution 1696 and to accommodate the Russian concern that the resolution not be seen as authority for wider measures under Chapter VII, the new draft does not state that the situation constitutes “a threat to international peace and security”. Instead it specifically states that action is being taken under article 41 of the UN Charter.
5. The new draft continues the previous proposal for a travel ban and asset freeze for companies, individuals and organisations involved in programs that present a proliferation risk. However, exemptions were broadened in order to allow international travel in the framework of cooperation with the IAEA. The UK/France draft envisages that a list of those individuals and entities would be annexed to the resolution and that the measures would therefore come into force immediately.
6. The prohibition on specialised training and teaching has been softened.
7. The Council would now request a report by the IAEA Director General on Iran’s compliance within sixty days instead of thirty days.
8. And, finally, the principle of “dual suspension” is introduced. The resolution would automatically suspend sanctions when Iran suspends its enrichment-related and reprocessing activities. It seems that this provision is intended to signal to Iran that the door for negotiations is still open.

Council Dynamics

Russia is still seeking to negotiate aspects of the travel ban and asset freeze for individuals involved in sensitive programs. It seems the main concern is that the Council response should remain incremental. It would prefer that those measures be taken as a next step in case of further Iranian non-compliance. At press time, the position seemed to be evolving. A compromise may emerge if the scope of these measures were adjusted to exempt all Bushehr-related personnel.

Another outstanding issue is when and how the list of individuals for targeted sanctions in an annex should be implemented. The EU3 and the US consider that it is important to include these in the resolution. Russia prefers that this task be delegated to the Sanctions Committee.

The co-sponsors of the resolution are also very concerned with timing and believe that the resolution should be adopted before the Christmas break.

At time of writing it seems that the remaining differences are bridgeable by negotiations and the resolution will be adopted. It is possible that Russia and China may abstain. Among the E10, it seems that Qatar might vote against the resolution. While some of the other elected members are uncomfortable, it seems unlikely that any will oppose the draft now that it only targets proliferation sensitive issues—and leaves a room for civilian nuclear activities as allowed in the NPT.

Selected Documents

Security Council Resolution

- S/RES/1696 (31 July 2006) demanded that Iran suspend all enrichment-related and reprocessing activities, requested a report from the IAEA and expressed its intention to adopt measures under article 41 of the UN charter in case of Iranian non-compliance.

Security Council Presidential Statement

- S/PRST/2006/15 (29 March 2006) called upon Iran to take the steps required by the IAEA Board of Governors, in particular full suspension of all enrichment-related and reprocessing activities, in order to build confidence in the peaceful purpose of its nuclear programme.

Last IAEA Board Resolution

- GOV/2006/14 (4 February 2006) underlined the necessary steps that Iran should take to re-establish confidence in the peaceful nature of its nuclear programme and reported the issue to the Security Council.

Last IAEA Report

- GOV/2006/64 (14 November 2006) noted that enrichment-related activities have continued in violation of previous IAEA Board resolutions and Security Council resolution 1696.

Selected Letters

- S/2006/815 (13 October 2006) was the letter from France containing the NSG list of items, material, equipments, goods and technology related to ballistic missiles programmes.
- S/2006/814 (13 October 2006) was the letter from France containing the MTCR list of items, material, equipments, goods and technology related to nuclear programmes.

Useful Additional Sources

Latest EU3+3 Meeting in Paris, 5 December 2006

http://www.diplomatie.gouv.fr/en/country-files_156/iran_301/the-iranian-nuclear-question_2724/meeting-of-the-political-directors-of-the-foreign-ministries-of-the-six-5.12.06_8213.html