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The Security Council and Iran: Further Escalation and Isolation

Commentary on resolution 1747 (2007) on Iran

By Michael Spiesⁱ, updated: April 3, 2007

On March 24, 2007, the Security Council unanimously adopted resolution 1747 (2007) following up on Iran's failure to implement the Council's demands in resolution 1737 (2006), as indicated by the IAEA's February 22, 2007 report.ⁱⁱ The resolution, drafted by the UK, France, and Germany, followed through with the Council's stated intention in resolution 1737 to adopt further measures under Article 41 (sanctions) of the UN Charter in the event of Iranian non-compliance. Although the negotiating process for the draft text led to agreement among the permanent members of the Council (P5) far more quickly than the previous resolution—less than four weeks, rather than the nearly three months it took the P5 to agree on the measures contained in resolution 1737—the present resolution contains an arguably greater potential for controversy and may bear directly on the likelihood for a military strike on Iran.

The decisions taken by the Council in the resolution arguably represent a relatively minor escalation beyond the previous resolution. Beyond reaffirming the obligations imposed on Iran in resolution 1737 to suspend its “proliferation sensitive nuclear activities” (OP1), the draft adds to the list of entities and individuals targeted for financial sanctions (OP4), calls upon states and financial institutions to not enter into new financial arrangements with Iran (OP7), and requires all UN member states to

report to the Council within 60 days on their implementation of the resolution (OP8). More provocatively, the resolution also imposes a ban on all arms exports from Iran (OP5) and calls upon all states (non-binding) to restrain and inhibit the transfer of arms to Iran (OP6).

The Elected Members of the Council Speak Out

The adoption of the resolution was the first action taken by the Security Council on Iran since five new elected members rotated onto the Council in January. Notable newcomers include strong Non-Aligned Movement states Indonesia and South Africa, both of which took an active role in trying to affect the outcome of the Council's action on Iran. Qatar and Indonesia submitted a number of amendments to the resolution, intended to clarify certain points and to give it more balance. The drafters of the resolutions accepted some of these amendments including: language noting a resolution to the situation would contribute to a Middle East free of weapons of mass destruction;ⁱⁱⁱ providing rationales for including each individual and entity targeted for sanctions; and, attaching an annex that includes a copy of the previous E3+3 proposal to Iran as an incentive for Iranian cooperation. The drafters rejected an amendment sought by Indonesia calling for balance in the pursuit of non-proliferation and disarmament objectives.

South Africa also made a number of suggestions and sparked controversy by circulating a working paper questioning the need for new sanctions and the wisdom of the Council's approach, which provides for incremental escalation against Iran in the event of further non-compliance but does not create incentives that would foster a return to negotiations. Modifying a similar-sounding suggestion made in January by IAEA Director General Mohamed El-Baradei, South Africa also called for a 90-day "time-out," in which the Council would unilaterally suspend sanctions in order to allow negotiations to resume. These suggestions were all rejected by the drafters of the resolution and the UK ambassador went as far as to describe the "time-out" proposal as "totally perverse."^{iv}

Speaking prior to the vote on the resolution,^v representatives from four elected members of the Council, Congo, Qatar, Indonesia, South Africa, expressed reservations about the text. Congo expressed its belief that the Council's action

should be limited to ensuring compliance with the Nuclear Non-Proliferation Treaty (NPT) and cautioned that “the role of the Security Council is not to become an instrument of coercion.” Noting the volatile tensions in the Middle East, the representative from Qatar “[did] not view sanctions as an appropriate means of pressure,” and cautioned against the selective enforcement of NPT obligations. The Indonesian ambassador echoed Congo’s concern that the resolution not be construed as a punitive measure. The South African ambassador warned that the Council “must remain within its mandate of addressing threats to international peace and security,” and questioned why the Council is treating the Iran situation as it would a “threat to the peace” without making such a determination.

Arms Embargo

The strongest new measure contained in the draft resolution is the binding prohibition of all arms exports from Iran. This provision also obligates all states to prohibit their nationals from procuring Iranian arms. Iran’s principal clients for major weapons systems—mainly ballistic missiles and artillery rockets—are Hezbollah militants in Lebanon.^{vi} Due to Iran’s lack of transparency in small arms transfers it is difficult to assess the significance of this provision.^{vii} But while Iran is a known producer and minor-scale exporter of small arms and related materiel, in total these amounts are likely dwarfed by exports from industrialized and Western states.^{viii} More significantly, Iran is widely suspected of providing arms to sub-state actors in the region, such as militants in the Palestinian territories and Shiite militias in Iraq.^{ix} Due to the relatively small scale of Iran’s arms exports, this ban could largely be seen as a symbolic punitive measure intended to isolate Iran. But in light of ongoing tension and struggles in the region, an embargo on exports could have greater implications, particularly for Iraq and Lebanon. As Iran’s suspected clients in these states are also government factions or supported by government factions, enforcing compliance with this provision could be a politically complicated affair.

Given the lack of any connection between the embargo on arms exports and Iran’s nuclear program, one also has to consider to wider geopolitical implications of the Council’s actions. U.S. Under Secretary of State Nicholas Burns recently described Iran’s “aggressive foreign policy and hegemonic aspirations” in the region as a threat to U.S. interests.^x However, the emergence of Iranian hegemony in the Middle East

is currently impeded by existing U.S. hegemony in the region. Therefore, these measures seem more in line with U.S. goals of curtailing Iranian influence rather than something that might further non-proliferation objectives. Also, and more importantly, these measures also correlate with steps the United States would take in preparation for war.

Overcoming Russian objections, the resolution contains non-binding language calling upon all states “to exercise vigilance and restraint” in the provision of large-scale conventional weapons systems^{xi} to Iran, “in order to prevent a destabilising accumulation of arms.” Again, this provision may be seen largely as a symbolic punitive measure, but in light of ongoing speculation regarding the likelihood of a U.S. attack and the lack of any obvious connection to the nuclear program, the call for an arms embargo seems overly provocative and threatening. Another questionable point is the requirement that all states report to the Iran Sanctions Committee, established under resolution 1737, on the steps they have taken to implement “effectively” this non-binding embargo. It is not clear what the effect of this would be if any state chooses to sell arms to Iran and whether the it would be obligated to report those sales to the Committee. Despite the lack of clarity here and the oddity of imposing reporting requirements on non-binding measures—also a feature of resolution 1737—the reporting obligation cannot easily be interpreted as requiring states to report any arms sales to Iran. Regardless, it remains uncertain as to how states would be expected to reflect such transactions in their report to the Sanctions Committee.

Financial Sanctions

Resolution 1737 imposed financial sanctions, mandating that all states freeze the funds, financial assets, and economic resources on their territories of key entities and individuals associated with the particular nuclear and ballistic missile activities Iran was required to suspend. Adding to those measures, resolution 1747 expands the scope of these sanctions to nuclear fuel-cycle research generally. New entities targeted for sanctions include the research and production sites at Esfahan (responsible for preparation of uranium for enrichment), the nuclear research center at Karaj, the Atomic Energy Organization of Iran (AEOI)-associated Kavoshyar company, and the Novin Energy Company (involved in financial transactions related

to the nuclear program). Extending beyond the nuclear program, the financial sanctions and travel restrictions would also be applied to several industries related to the Iranian Revolutionary Guard Corps (IRGC), including several companies listed as producing items useful for Iran's "asymmetrical warfare doctrine," likely reflecting the concerns of the United States. As with the embargo on arms exports, taking action impeding Iran's ability to defend itself against an attack from a major power has no obvious connection to non-proliferation and seems overly provocative.

The annex to the resolution adds to the list of individuals targeted for financial sanctions. Individuals added to the list due to their connection to nuclear programs include additional senior scientists related to fuel-cycle facilities and to the nuclear program generally, and also a head scientist that Iran has not allowed to be interviewed by the IAEA. It further makes a non-binding appeal to states to "exercise vigilance and restraint regarding the entry into their territories or transit through their territories" of individuals listed in both resolutions. The sanctions list also individually targets the key leadership of the IRGC and the heads of each of its primary divisions, including the ground forces, Navy, Bassij militia, and the Qods force, although the connection to nuclear non-proliferation here is unclear. The resolution also renews the requirement of all states to notify the Sanctions Committee of the entry into or transit through their territories of individuals listed in both resolutions 1747 and 1737.

Despite initial Russian and Chinese concerns, the resolution also calls upon states and financial institutions to refrain from entering into new financial agreements with Iranian entities except for humanitarian or development purposes. Although this provision is non-binding, it is unusual in that it applies directly to sub-state actors in addition to the states. States would also be obligated to report to the Sanctions Committee on the steps they have taken to implement this provision.

Objectives of the Resolution: the Role and Authority of the Council

In the preambular paragraphs of resolution 1747 the Council states it is "determined to give effect to its decisions by adopting appropriate measures to persuade [really coerce] Iran to comply" with its previous resolutions and the "requirements" of the IAEA, and "to constrain Iran's development of sensitive technologies in support of its

nuclear and missile programs” (PP6). That the Council has the authority to make decisions that are binding on all member states is widely recognized and non-controversial. However, while it almost seems logical that the Council should have the power to enforce its own decisions, in fact the power to “give effect” to its decisions, specifically by adopting measures under Article 41 (sanctions) and Article 42 (military force), is largely circumscribed by the Charter. Article 39 of the Charter makes the enactment of these measures contingent on the Council’s determination that a given situation constitutes a threat to international peace, which the drafters of the present resolution have declined to do.

Resolution 1747 continues the approach taken in resolution 1737 and imposes measures under Article 41 without making such a finding, as Article 39 makes requisite of the Council prior to the adoption of any enforcement measures. Instead the Council states once again that it is “mindful of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,” affirming that indeed the Charter does grant the Council the power to take action, but without bothering to specify whether that authority applies to the present situation as had been the norm in Chapter VII situations.

Recycling language used in earlier resolutions, the present draft again assumes that the IAEA Board “required” Iran to suspend its enrichment related activities. However, it is doubtful that the Board has this authority under the IAEA Statute, although it has recently taken action with the scope of its mandate to curtail nuclear cooperation with Iran. Further, while clever drafting of the IAEA Board’s February 2006 resolution has obscured the matter, it fell well short of imposing “requirements” upon Iran. In the first operative paragraph, the Board refers to the need to build confidence and “deems it necessary” for Iran to take certain steps. Operative paragraph 5 refers to “non-legally binding” and “voluntary” confidence building measures.

In light of the Council’s stated purpose, its innovative approach here lends itself to several non-mutually exclusive interpretations. The optimistic view would be to read the Council’s action as an innovative reinterpretation of its role and the UN Charter to deal with new types of emerging threats not anticipated by the Charter. The drafters of the Charter, against the backdrop of the second world war, initially envisioned the Council’s role as responding to instances of armed attack across

international borders. Interpretation of the Council's mandate has expanded over time to include intervention on matters such as humanitarian crises or in cases of gross human rights violations, which are broadly considered "threats to international peace." Given the tenuous and imperfect nature of nuclear non-proliferation regime, here the Council's role could be seen as it acting to fill a legal void by enforcing the rules that bear upon matters related to international peace and security. However, as necessary as this function is in ensuring the long term viability of certain security treaty regimes, the Security Council may be ill-suited to this task. The Council is not a judicial institution, like a court, and is not required to make any finding of law or to cite any violation of any legal instrument prior to taking action. In fact, in the present draft text, the only reference the Council makes to the NPT is to reaffirm the right of states parties to nuclear energy in conformity with their obligation not to acquire or manufacture nuclear weapons. Further, in light of the lack of evidence thus far that Iran has violated this obligation, the present case cannot be easily defended as being merely about enforcing the rules of the nuclear non-proliferation and disarmament regime. Also relevant is the fact that the permanent members of the Council, the only recognized nuclear weapon states under the NPT, are more than 35 years overdue in complying with their own obligation in that treaty to negotiate dismantlement of their nuclear arsenals.

The Council's omission of a finding of a "threat," with its implication that force may be used, can be viewed as a purposeful act intended to preclude the United States from interpreting the resolution as authorizing the use of force. In the post-Iraq invasion context, the members of the Council are seeking innovative ways to sidestep past abuse of the Charter and past resolutions while still finding way to make the Council adaptive and responsive to the needs of the moment. One purpose of this innovation would be to restrain the U.S. from exercising its raw power to use the Council to achieve its national political objectives, while still keeping the world's most powerful state engaged in process of ensuring collective security.

Regardless of the reasoning behind the language used by the Council, the objective of the majority of its permanent members is clear: to use coercion as tool to bring about the pacific settlement of a political dispute. Under this view, the members of the Council are problem-solvers working to reform their mandate within an institutional context in order to develop modern solutions to situations that might

evolve into a threat to the peace. While Chapter VI of the Charter restricts the Council to making non-binding recommendations in such circumstances, as with the innovation of peacekeeping operations, the Council's actions here can be described as adapting its role to fit the needs of the day. However, under the present circumstances this position is also troubled by legitimacy concerns. As a non-representative, non-judicial body the Council is acting here to impose one side's negotiating position (the EU's position that negotiations with Iran require the suspension of uranium enrichment as a prerequisite) over the other's. The Council acting to settle the dispute in this fashion is suspect due to the fact that several permanent members, and the driving powers behind the resolutions, are parties themselves to the dispute.

The problem raised in this last point is cynically emphasized by the self congratulatory fifth preambular paragraph, which *welcomes* "the continuing commitment" of the P5 plus Germany (which includes all three drafters of the resolution), and the High Representative of the EU, "to seek a negotiated settlement." The term "negotiation," as it is generally referred to in the context of international relations, refers to a process where two or more sides meet and are willing to modify their initial positions in order to reach a *mutually acceptable* outcome. However, aside from sporadic and non-coordinated diplomatic contacts between some EU states, the EU High Representative, and Iran, since the passage of resolution 1737 this group as a whole has done little more than to devise new coercive measures meant to cause Iran's capitulation to the demands of the Council.

Next steps

Matching the public pronouncements of the permanent members of the Council, resolution 1747 represents a gradual escalation on a path to a progressively heightening confrontation. In keeping with the notion of a steady approach, the resolution would request the IAEA to again report in 60 days regarding Iran's compliance with the Council's decisions. The Council also once again affirms that it will adopt further measures under Article 41 in the event of further non-compliance. It also reaffirms that the Council will decide to terminate sanctions once Iran complies. This falls short of an earlier EU's condition that any measures adopted by the Council be automatically reversible as any move to end sanctions would be subject

to a U.S. veto. In effect, this means Iran's compliance would have to ultimately satisfy the each individual member of the P5 including the United States.

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ⁱⁱ International Atomic Energy Agency, "Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolution 1737 (2006) in the Islamic Republic of Iran: Report of the Director General," GOV/2007/8, International Atomic Energy Agency, Vienna, February 22, 2007.

ⁱⁱⁱ This language is stronger than previous Iran resolutions. In particular, resolution 1737 (2006) the Council *noted* such a solution "would benefit nuclear nonproliferation elsewhere." This is weaker than what Indonesia and Qatar would have preferred: an unambiguous call for a WMD free zone in the Middle East. The U.S. in particular has blocked this language from adoption as it is seen as implicitly criticizing Israeli, which is widely acknowledged to be the only state in the Middle East in possession of nuclear weapons.

^{iv} See Associated Press, "Six major powers offer minor amendments to Iran resolution but no 90-day 'time-out,'" *International Herald Tribune*, March 21, 2007. Online at <http://www.ihf.com/articles/ap/2007/03/22/news/UN-GEN-UN-Iran-Nuclear.php>.

^v For all statements made during Security Council's March 24, 2007 meeting on Iran, access the Security Council meeting record at <http://www.un.org/Depts/dhl/resguide/scact2007.htm>.

^{vi} Source: Stockholm International Peace Research Institute.

^{vii} *Small Arms Survey 2006*, Oxford University Press, 2006.

^{viii} Source: Norwegian Initiative on Small Arms Transfers.

^{ix} See R. Nicholas Burns, U.S. Under Secretary of State for Political Affairs, "United States Policy Toward Iran," Testimony Before the House Committee on Foreign Affairs, March 6, 2007.

^x Burns, 2007.

^{xi} Specifically, battle tanks, armored combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined by the UN Register on Conventional Arms.



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Security Council

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Resolution 1747 (2007)

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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 AEOL'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 Ketabachi (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 (UF₆) 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.
