

**Statement by the United Kingdom on behalf of the European Union at the IAEA Board of Governors, 9 August 2005**

1. I have the honour to speak on behalf of the European Union. The Acceding Countries Bulgaria and Romania, the Candidate Countries Turkey and Croatia<sup>1</sup>, as well as the Countries of the Stabilisation and Association Process and potential candidates, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro and the Efta countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as Moldova, associate themselves with this statement.
2. The European Union has taken note of the developments reported by the Director-General and the Deputy Director General Mr Heinonen in relation to the implementation of Board resolutions on Iran. We thank the Secretariat for their continued professional and impartial work.
3. The EU has continued to support the search for a diplomatic solution initiated by France, Germany and the United Kingdom, with the support of the EU High Representative, concerning the Iranian nuclear issue. The EU welcomes the broader international support that this process has enjoyed.
4. We recall that on 14 November 2004, Iran notified the Director General that it had decided, pursuant to the so called Paris Agreement which was circulated to Board

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<sup>1</sup> Croatia continues to be part of the Stabilisation and Association Process

members as INFCIRC 637, on a voluntary basis, to continue and extend its suspension of nuclear activities to "include all enrichment related and reprocessing activities, and specifically [...] all tests or production at any uranium conversion installation", so as to build further confidence. I also recall that the agreement provides for negotiations between the parties with a view to reaching a mutually acceptable agreement that will provide, inter alia, objective guarantees that Iran's nuclear programme is exclusively for peaceful purposes. The Agreement further states that "Sustaining the suspension, while negotiations on a long-term agreement are under way, will be essential for the continuation of the overall process".

5. When the Foreign Ministers of France Germany and the United Kingdom and the EU High Representative met Dr Rouhani and representatives of the Islamic Republic of Iran in Geneva on 25 May, the European side agreed to provide by the end of July or in early August detailed ideas for such a long-term agreement. Iran has acknowledged this timetable in its note of 1 August to the IAEA. The European side has now presented its proposal to Iran. As foreseen in the Paris Agreement, the proposal states the European side's readiness to support the development of a safe, economically viable and proliferation proof civilian nuclear programme in Iran in the context of objective guarantees provided by Iran. The European side has also made clear that it is willing to reaffirm Iran's rights under the NPT. The proposal encompasses co-operation on political and security issues as well as in economic and technological areas.
6. The Director General has reported that yesterday, 8 August, Iran started to feed UOC into the first part of the process line of the Uranium Conversion Facility at Esfahan, that is to say before there has been a proper discussion, indeed any discussion at all, of the

proposals presented to Iran last Friday as well as any other proposals that could lead to the conclusion of satisfactory long-term arrangement on the basis of the Paris Agreement. This is a matter of deep regret for the EU. In this regard, may I also recall the letter of 2 August to Dr Rouhani, from the Foreign Ministers of France, Germany and the United Kingdom and the EU High Representative, circulated as INFCIRC 649 and especially the reference in that letter to other courses of action in the event of the suspension not being sustained.

7. Moreover, this step has come at a time when the outstanding questions relating to Iran's nuclear programme have yet to be resolved, and when new questions about plutonium related activities have arisen. The European Union notes that the Agency continues not to be in a position to conclude that there are no undeclared nuclear materials or activities in Iran and that confidence has yet to be restored in the exclusively peaceful nature of Iran's nuclear programme.
  
8. We do not believe that Iran has any operational need to engage in fissile material production activities of its own, nor any other reason to resume activity at Esfahan, if the intentions of its nuclear programme are exclusively peaceful. Iran currently has no operating nuclear power plant and has concluded an agreement with the Russian Federation assuring the supply of fuel for the reactor at Bushehr, which is still under construction. Any such resumption of currently suspended activities, including uranium conversion, will only further heighten international concern about the real objective of Iran's nuclear programme.

9. Yesterday's action by Iran at the UCF is not just a major disappointment for France, Germany, the United Kingdom and other members of the EU who have invested so much effort into the search for long-term arrangements. In our view, it ought also to be a development of great concern to all members of this Board of Governors. The Iranian action amounts to flagrant disregard for the Board's repeated calls on Iran to suspend all enrichment related and reprocessing activities as a confidence building measure. These calls were first made in November 2003 when the Board had before it a report from the Director General which documented very serious Iranian failures and breaches of its obligations to comply with the provisions of its safeguards agreement. As recently as 29 November 2004 the Board underlined that the full and sustained implementation of their suspension was essential to addressing outstanding issues, that is to say the issues arising from past Iranian failures and breaches.
  
10. In our view, the Board must react firmly to these latest developments. In our view, the Board should express the most serious concern at Iran's 1 August notification and at yesterday's report from the Director General. It should urge Iran to comply with previous Board resolutions by re-establishing full suspension of all enrichment related activities. It should request the Director General to continue to monitor the situation and to inform the Board of any further developments, as well as to report on the implementation of Iran's safeguards agreement by 20 August or thereabouts and it should decide to remain seized of the matter.