

Statement by H.E. Ambassador Mohammad M. Akhondzadeh
Resident Representative of the Islamic Republic of Iran
before the Board of Governors August 2005
(Before approval of the Res.)

In the Name of God, the Compassionate, the Merciful

Madam Chair, Colleagues,

We meet when the world is remembering the atomic bombings of the civilians in Hiroshima (6 August) and Nagasaki (9 August) sixty years ago. The savagery of the attack, the human suffering it caused, the scale of the civilian loss of life turning individuals, old and young, into ashes in a split second, and maiming indefinitely those who survived should never be removed from our memory. It is the most absurd manifestation of irony that the single state who caused this single nuclear catastrophe in a twin attack on our earth now has assumed the role of the prime preacher in the nuclear field while ever expanding its nuclear weapons capability.

We as members of the Non-Aligned Movement are proud to underline that none of the NPT members of the NAM rely on nuclear weapons in anyway for their security. That is not the case of many other States, who either possess nuclear weapons or are member of nuclear-armed alliances and it is such States that have taken on the self-assigned role of denying Iran its legal rights under the NPT to access the peaceful uses of nuclear technology in conformity with the Treaty's non-proliferation obligations.

Indeed, it is not only Iran -but also many members of NAM that are denied the peaceful uses of nuclear technology by some of the NPT nuclear-weapon States and their allies through the mechanisms of export controls and other denial arrangements. In 1995, they adopted the so called "Iran clause" under which they agreed to deny nuclear technology to Iran in any circumstances.

You can then understand, why Iran after being denied nuclear technology in violation of the NPT, had no other option but to rely on indigenous efforts with precaution on full transparency and we succeeded in developing our nuclear

technology. Iran is a nuclear fuel cycle technology holder, a capability which is exclusively for peaceful purposes.

The Leader of the Islamic Republic of Iran, Ayatollah Khamenei has issued the Fatwa that the production, stockpiling and use of nuclear weapons are forbidden under Islam and that the Islamic Republic of Iran shall never acquire these weapons. President Ahmadinejad, who took office just recently, in his inaugural address reiterated that his government is against weapons of mass destruction and will only pursue nuclear activities in the peaceful domain. The leadership of Iran has pledged at the highest level that Iran will remain a non-nuclear-weapon State party to the NPT and has placed the entire scope of its nuclear activities under IAEA safeguards and additional protocol, in addition to undertaking voluntary transparency measures with the Agency that have even gone beyond the requirements of the Agency's safeguards system.

Nuclear energy is expected to become once again a primary source of energy, with the rising demand for oil and gas and the ensuing increase in the prices, which incidentally can sharply accelerate for any political provocation. We should add to this the concerns about the environment, and the world will have no alternative but to revert back to nuclear energy, at least for decades to come. This implies that many countries in the developing world would have to acquire or produce their own facilities for nuclear energy as well as nuclear fuel. The moves towards restrictions on nuclear fuel production under the pretext of nonproliferation are bound to make the developing countries dependant on an exclusive cartel of nuclear fuel suppliers; a cartel that has a manifest record of denials and restrictions for political and commercial reasons.

For Iran, as the chief target of denials, it is only reasonable to continue to develop and expand its nuclear fuel production capability to meet its requirements for nuclear energy. This process takes time, it takes years to complete. To meet our needs five to ten years from now we need to start today if today is not already late. For Iran it is a strategic economic goal to be a supplier of the nuclear fuel and energy, for its domestic needs and beyond. We are a major player in the oil and gas sector. We will be a player in the nuclear field.

Iran's communication of 1 August 2005, to the Director General and distributed in IAEA document INFCIRC/648, contains a summary of the events relevant to Iran's peaceful nuclear programme. For more than two years, after the full declaration of our entire scope of nuclear activities and accepting the most intensive on-site robust verification carried out by the Agency, we have maintained our full

cooperation with the Agency's safeguards inspectors and to their credit last November the Agency confirmed in Paragraph 112 of the DG's report that "all the declared nuclear material in Iran has been accounted for, and therefore such material is not diverted to prohibited activities. " You will recall that the Director-General confirmed in Paragraph 52 of his November 2003 report that "to date, there is no evidence that the previously undeclared nuclear material and activities referred to above were related to a nuclear weapons programme."

In the same spirit, we are cooperating with the Agency to reach the broader conclusion, through the application of the verification measures contained in the additional protocol, to demonstrate conclusively the absence of any undeclared nuclear material and activities in our country. A feat achieved so far by only six member states with nuclear programme.

As mentioned in INFCIRC/648, in October 2003, Iran entered into an agreement with France, Germany and the United Kingdom with the explicit expectation to open a new chapter of full transparency, cooperation and access to nuclear and other advanced technologies. Iran agreed to a number of important transparency and voluntary confidence building measures and immediately and fully implemented them.

More relevant to the meeting today, Iran began and has continuously maintained for the past 20 months a voluntary non-legally binding suspension of its civilian uranium enrichment activities as a confidence building measure. In February and November 2004, following agreements with E3/EU in Brussels and Paris respectively, Iran again voluntarily extended the scope of its suspension to incorporate activities that go well beyond the Agency's definition of "enrichment" and "enrichment-related" activities.

In the past several months after the Paris agreement was reached, we offered every opportunity and every perceivable flexibility to the E3/EU to come to an agreement on the resumption of the operation of the UCF plant in Isfahan, the least sensitive segment of the nuclear fuel production. But occasional flexibility from our counterparts was retracted time and again due to intransigence or lack of willingness and ability to arrive at an agreement thereby frustrating the hopes for an agreement all together.

Let me recall that installation, erection and commissioning of the Isfahan UCF have all been made in full compliance with our safeguard obligations. There has not been any failure in this regard. Questions and issues raised by the Agency about this segment of the process have been comprehensively and conclusively dealt with. Since September 2004 there is no outstanding issue about the UCF and the facility is routinely under safeguards. There is no ground whatsoever, therefore, for any concern over safeguarded operation of this facility.

Iran requested the Agency to be prepared for the implementation of the required monitoring and surveillance measures in a timely manner to allow the resumption of activities at UCF. Iran did this in an open and transparent manner. The Agency informed us that surveillance measures would be in operation by Wednesday morning. Iran has agreed not to remove the seals until that time.

The E3/EU has yet to honor its recognition, in the Paris Agreement of November 2004, "Iran's rights under the NPT exercised in conformity with its obligations under the Treaty, without discrimination." The Paris Agreement is founded on an equal exchange of objective and firm guarantees between Iran and Europe to for the basis of a mutually acceptable agreement. Their recent proposal of the E3/EU never even mentions the terms "objective guarantees", "firm guarantees" or "firm commitments", thereby indicating the total departure of its authors from the foundations of the Paris Agreement. The proposal replaces "objective guarantees" with termination of Iran's hard gained peaceful nuclear program. At the same time, it equates "firm guarantees and firm commitments" with vague, conditional and partial restatements of existing obligations.

Iran's proposal to the E3/EU on objective and firm guarantees was fully consistent with the terms of the Paris Agreement. The E3/EU rejected that reasonable and generous proposal. Their proposal, on the other hand, was so inadequate and demeaning that could only be flatly rejected. Therefore it is not reasonable nor fair to expect Iran to continue with its voluntary and non-legally binding suspension of "enrichment-related activities" for much longer. Nothing in our current and projected actions is illegal or contrary to any of Iran's international legally-binding obligations.

Now:

- *Will Iran resume safeguarded operations at UCF?* Absolutely, it is within our rights. We will restart UCF under Agency monitoring at a date of our choice.

- *Will Iran give up its civilian uranium enrichment capability?*

Absolutely not. Our suspension was voluntary and non-legally binding and can be terminated at any time of our choosing. However, for the present, we will maintain suspension at Natanz.

- *Is the E3/EU proposal for a framework agreement satisfactory?* As we have said, the E3/EU proposal is wholly inadequate and runs counter to the letter and spirit of Paris Agreement.

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- *Is Iran threatening to leave the NPT or Agency safeguards?* Never. We have repeatedly stated our firm commitment remain a member of the NPT and of Agency safeguards in good standing.

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- *If Iran resumes operations at UCF, the E3/EU say that they will support the US to refer Iran to the Security Council for its past failures or for resumption of enrichment related activities?* As we have said, first, Iran's suspension of its enrichment-related activities in conformity with the NPT is purely on a voluntary and non-legally binding basis; second, the Agency's original definition of enrichment did not include conversion activities. The Statute stipulates referral to the Security Council, not on the grounds of failures, but only if and when diversion to prohibited purposes has been established. No evidence has been found of any diversion through intrusive and sustained inspections as the Director General has reported; hence no legal basis for referral.

By limiting the activity to the UCF in Isfahan, Iran has demonstrated maximum restraint. We have sustained, for now, all other confidence building measures, leaving the door open for negotiations despite the failures so far. We still believe that an agreed arrangement on our nuclear program, including for the UCF, is both possible and accessible. The decision here can trigger a trend of confrontation, which is bound to escalate and where everyone stands to lose. If that is what the E3IEU has opted for, they should shoulder the responsibility for consequences. If E3/EU chooses negotiations, and are prepared to do so in good faith and without preconditions, we will entertain the same.

Thank you