POSSIBLE ELEMENTS OF A REVISED PROPOSAL TO IRAN

To develop 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, and to prepare for a fresh start in negotiations of a comprehensive agreement to that end, to be deposited with the IAEA and endorsed in a Security Council resolution:

The International Community will:

- reaffirm Iran's inalienable right to nuclear energy for peaceful purposes in line with Art IV of the NPT and in conformity with its international obligations, and political support for development of a civil nuclear programme;
- actively support activities in accordance with Iran's civil nuclear plan, including
 the building of new light water reactors in Iran through joint projects, within the
 framework of the IAEA and in accordance with its Statute;
- agree to suspend discussion of Iran's file at the Security Council on resumption of negotiations.

Iran will:

- commit to address the outstanding issues and all other international concerns through full cooperation with the IAEA;
- suspend all enrichment-related and reprocessing activities and commit to continue this during these negotiations;
- resume implementation of the Additional Protocol.

AREAS OF FUTURE COOPERATION TO BE COVERED IN NEGOTIATIONS ON A LONG TERM AGREEMENT

NUCLEAR

International community will take the following steps:

Iran's right to nuclear energy;

reaffirm Iran's inalienable right to nuclear energy for peaceful purposes in line with Art IV of the NPT and in conformity with its international obligations, and reaffirm its political support for development of a civil nuclear programme; negotiate and implement a Euratom/Iran nuclear cooperation agreement.

Light Water Reactors:

in accordance with Iran's own civil miclear power generation plan, actively
support the building of new light water reactors in Iran through joint projects,
within the framework of the IAEA and in accordance with its Stante, using stateof-the art technology, including by authorising the transfer of necessary goods.



ECONOMIC

International Trade & Investment

Support for full integration into international structures, including the WTO, and to create the framework for increased direct investment in Iran and trade with Iran (including a Trade and Economic Cooperation Agreement with EU).

Civil Aviation

Civil aviation cooperation (including possibility to purchase civil aircraft) and removal of restrictions on civil aircraft manufacturers from exporting such aircraft to Iran, thereby opening up the prospect of Iran purchasing a new fleet of modern civil airliners.

Energy Partnership

Establishment of a long-term strategic energy partnership between Iran and the EU, i.e. extension and modernisation of oil and gas sectors, scientific and technological cooperation also on downstream activities, development of the Iranian energy infrastructure incl. pipeline construction, and in the area of energy efficiency and renewable energies.

High Technology Co-operation

Co-operation in fields of high technology and other areas to be agreed.



Research & Development in Nuclear Energy

 provide a substantive package of research and development co-operation, 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, multi-layered fuel assurances to Iran, based notably on:
 - participation as a partner in an international fuel cycle centre in Russia,
 which would excite all UP6 produced by the UCF at Isfahan;
 - establishment of a facility/fuel bank/buffer stock to hold a reserve of up to 5 years' supply of nuclear fuel dedicated to Iran, with participation and under supervision of the IAEA;
 - implementation of US/French ideas on multi-layer assurance of supply mechanism.

Review of Moratorium

The long-term agreement would, with regard to common efforts to build international confidence, include a clause for review of the agreement in all its aspects, to follow;

- confirmation by the IAEA that all outstanding issues and other international
 concerns have been resolved and that it is in a position to conclude that there
 are no undeclared nuclear activities or materials in Iran or diversion of
 nuclear materials;
- demonstration by Iran that any new activity in the nuclear field is linked to a credible and coherent economic rationale in support of the existing civilian power generation programme;
- and decisions by the IAEA BoG and UNSC that all of Iran's obligations have been met and that international confidence in the exclusively peaceful nature of Iran's civil nuclear programme has been restored.

POLITICAL

Regional Security Co-operation

Support for an Inter-governmental regional forum, including Countries of the region and other interested Countries, to promote dialogue and cooperation on security issues in the Persian Gulf, i.e. with the aim of establishing regional security arrangements and a cooperative relationship on important regional security issues, including guarantees for territorial integrity and political sovereignty.

WMD Free Zone in the Middle East

Support the objective of establishing a zone free of weapons of mass destruction and their means of delivery in Middle East.



POSSIBLE MEASURES IN THE EVENT THAT IRAN DOES NOT COOPERATE

In the event that Iran does not co-operate with the international community, we would adopt proportionate measures, selected from the following list, in order to give effect to the decisions of the international community. Where appropriate, these measures would be adopted under Chapter VII Article 41 of the UN Charter.

Measures Targeted Against Iran's Nuclear and Missiles Programmes

- a) Embargo on export of goods and technologies relevant to these programmes.
- Freeze of assets and ban on financial transactions of organisations and/or individuals involved in these programmes.
- c) Travel/visa ban on individuals related to these programmes.
- d) Suspension of technical co-operation with the IAEA.
- e) Ban on investment against entities associated with these industries.
- Ban on franians from studying abroad disciplines related to nuclear and missile development.

Political and Economic Measures

- Reduction/freeze of bilateral contacts.
- h) Visa/travel ban on selected high-ranking officials and personalities.
- Freeze of assets of individuals and organisations connected to or close to the regime.
- j) Arms embargo against Iran.
- k) Embargo on exports of specific products (e.g. refined oil/gas products) to Iran.
- End support for Iran's WTO Membership Application.
- m) Prohibition on co-operation/investment in Iran in certain sectors.
- n) General freeze of assets of Iranian financial institutions.
- Reduction in government support for trade and export credit insurance to Iran.

