THE EVOLUTION OF US AND EU FOREIGN POLICY TOWARDS IRAN WITH EMPHASIS ON THE PERIOD AFTER 11 SEPTEMBER 2001

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CONTENTS

LIST OF ABBREVIATIONS.........................................................................................p. 5

INTRODUCTION........................................................................................................p. 6

BACKGROUND INFORMATION

Short History ........................................................................................................... pp. 7-8
Profile of Iran .............................................................................................................. pp. 8-10
The Geopolitics of Iran .............................................................................................. pp. 10-11

COLD WAR

US – Iran Relations .................................................................................................. pp. 12-13
EEC – Iran Relations ................................................................................................ pp. 13-15

POST COLD WAR PERIOD

New Word Order ...................................................................................................... p. 16
US-Iran Relations
US Interests ................................................................................................................. pp. 17-20
US Policy Evolution .................................................................................................. pp. 20-22
EU – Iran Relations

EU interests......................................................................................................pp. 22-24
EU Policy Evolution........................................................................................pp. 24-27

AFTER 11 SEPTEMBER

The Terrorist Attacks................................................................................pp. 28-29

The USA and Iran

Iran’s Response to 11 September.................................................................p. 30
Common interest: The Taliban.................................................................pp. 30-31
Washington Changes Attitude - Pre-emptive Defence ....................pp. 32-34
Iran’s Response to the ‘Axis of Evil’ Speech...........................................p. 34

Outstanding problems
- Iran’s Nuclear Programme.................................................................pp. 35-37
- Iran and Terrorism: Links with al Qaeda?..........................................pp. 38-40

Significant events
- The War on Iraq................................................................................pp. 40-42
- The Earthquake................................................................................pp. 42-43

The EU and Iran

Opposition to US approach.................................................................pp. 44-46
Towards a TCA.....................................................................................pp. 46-47

After the War on Iraq
- Putting Pressure on Iran.................................................................pp. 47-49
- The Initiative of the ‘Big Three’.........................................................pp. 49-50
- From November 2003 to January 2004..........................................pp. 50-51
APPRAISAL

The Impact of 11 September.................................................................pp. 54-56
Effectiveness of US and EU Policies.....................................................pp. 56-60
The Factor of the Islamic Republic of Iran..............................................pp. 60-62

CONCLUSION............................................................................................p. 63

APPENDIX..............................................................................................pp. 64-74

BIBLIOGRAPHY............................................................................................pp. 75-80
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>AIPAC</td>
<td>American Israeli Public Affairs Committee</td>
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<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>BP</td>
<td>British Petroleum</td>
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<td>DoP</td>
<td>Declaration of Principles</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EPC</td>
<td>European Political Cooperation</td>
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<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<td>ILSA</td>
<td>Iran Libya Sanctions Act</td>
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<td>NPT</td>
<td>Non Proliferation Treaty</td>
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<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
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<td>TCA</td>
<td>Trade and Cooperation Agreement</td>
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<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCHR</td>
<td>United Nations Committee on Human Rights</td>
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<td>USA</td>
<td>United States of America</td>
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<tr>
<td>WMD</td>
<td>Weapons of Mass Destruction</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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INTRODUCTION

The following project has as a purpose to analyse United States (US) and European Union (EU) foreign policies vis-à-vis Iran with emphasis on the period following the terrorist attacks of 11 September 2001. What should be pointed out is that although it will focus on and explain the foreign policy divergences of the USA and the EU concerning their relations with Iran in the period after 11 September, it will also examine the period before these terrorist attacks and especially the post Cold War era. By so doing, it will attempt to find out the impact 11 September had on the policies of the USA and the EU towards the Islamic Republic of Iran.

Initially, a short report on the history, profile and geopolitics of Iran will be made, while the cold war period will be briefly examined. Moreover, an examination of US and EU policies towards Iran in the post Cold War era and within the framework of the new world order will follow. As concerns the period after 11 September, the evolution of the relations between Iran the USA and the EU will be analysed in detail with reference to importance issues and events such as Iran’s nuclear ambitions, its links with al-Qaeda, the War on Afghanistan and the War on Iraq. Simultaneously, important questions will be answered. For example, why did Washington change attitude towards Iran after the War on Afghanistan? And why has the EU toughened its stance vis-a-vis Iran since June 2003? The conclusion that will be reached will endeavour to find out what changed after 11 September, to place US/EU divergences over Iran within the framework of transatlantic relations and to evaluate them with regard to their effectiveness.
BACKGROUND INFORMATION

Short History

Historically, the ancient nation of Iran is known to the West as Persia. Archaeological findings have placed knowledge of Iranian prehistory at middle paleolithic times\(^1\). Persia has a great imperial past as it was once a major empire in its own right. It has been overrun frequently and has had its territory altered throughout the centuries\(^2\). Invaded by Arabs, Seljuk, Turks, Mongols, and others – and often caught up in the affairs of larger powers – Persia has always reasserted its national identity and has developed as a distinct political and cultural entity\(^3\).

The history of Modern Iran began with a nationalistic uprising against the Shah, who remained in power in 1905, the granting of a limited constitution in 1906 and the discovery of oil in 1908\(^4\). Colonel Reza Khan seized power in a military coup in February 1921, made himself Shah 4 years later, established his own royal dynasty ruling as Reza Shah Pahlavi for almost 16 years and installed the new Pahlavi dynasty\(^5\). Under his reign, Iran began to modernise and to secularise politics. Reza Pahlavi also introduced the name of Iran or ‘the land of the Aryans’ as the country’s official name instead of Persia\(^6\). In September 1941, following the occupation of Western Iran by the allies, Reza Shah was forced to abdicate and his son Mohammed Rezza Pahlavi became Shah and ruled until 1979\(^7\). It is worth-mentioning that in 1951, Premier Mohammed Mossadeq, a militant nationalist, forced the parliament to nationalise the British-owned oil industry\(^8\). He was opposed by the Shah and was removed but he quickly returned to power\(^9\). The Shah fled Iran but

\(^1\) ‘Background Note: Iran’ in http://state.gov/r/pa/ei/bgn/5314.htm
\(^2\) Ibid.
\(^3\) Ibid.
\(^4\) ‘Background Note: Iran’.
\(^6\) Ibid., p. 343.
\(^7\) ‘Background Note: Iran’.
\(^8\) Ibid.
\(^9\) Ibid.
returned when supporters staged a coup against Mossadegh in August 1953\textsuperscript{10}. In the 1960’s, modernisation and economic growth started to proceed at an unprecedented rate in Iran as a result of Tehran’s economic, social and administrative reforms that became known as the Shah’s ‘White Revolution’\textsuperscript{11}.

Nonetheless, in 1978, religious and political opposition to the Shah’s rule and programmes led the country to domestic turmoil. The activities of the SAVAK, the internal security and intelligence service, corruption in the administration and economic problems were the main reasons of the turmoil, which drove to the fall of Shah in January 1979. The exiled religious leader Ayatollah Khomeini returned from France to direct a revolution resulting in a new, theocratic republic guided by Islamic principles\textsuperscript{12}. Following Khomeini’s death in June 1989, Ali Khameini became his successor in August 1989.

**Profile of Iran**

Iran is a Muslim but not an Arab country. Most Iranians are Muslims: 89% belong to the Shi’a branch of Islam, the official state religion, and about 10% belong to the Sunni branch, which predominates in neighboring Muslim countries\textsuperscript{13}. The population of Iran was estimated in approximately 66 million people in 2001\textsuperscript{14}.

As concerns the government of the Islamic Republic of Iran, it is based on the Constitution of December 1979. The highest ranking official of the Islamic Republic is the Faqih (Islamic Jurisprudent), who is the spiritual guide of the nation or in absence of a single leader, a council of religious leaders. This national religious leader or members of the council of leaders have to be chosen from the clerical establishment on the basis of their qualifications and the high esteem in

\textsuperscript{10} Ibid.
\textsuperscript{11} Ibid.
\textsuperscript{12} Ibid.
\textsuperscript{13} Ibid.
\textsuperscript{14} Ibid.
which they are held by the Muslim population of Iran. This leader or Council appoints the 6 religious members of the Council of Guardians, which certifies the competence of candidates for the presidency and the National Assembly. The President, whose role is to supervise the affairs in the executive branch of the country, has to be elected by people’s vote for a 4 year term. Iran’s legislative power is known as the National Consultative Assembly or Majles. The judicial power in Iran is vested in the Supreme Court and the 4 member High Council of the Judiciary.

Shortly before his death in 1989, Khomeini gave his consent to amend the constitution realising the lack of a leader with his political and religious credentials. In this way, a form of co-leadership between the spiritual leader of Islam and the President was invented. Ali Akhbar Hashemi Rafsanjani was elected President in 1989. Moreover, the Council for Expediency was created, which resolves legislative issues in the case of disagreement between the Majles and the Council of Guardians. It should be noted that after Khomeini’s death a more pragmatic approach in Iranian politics was introduced. This development started with President Rafsanjani and continued with Ali Mohammad Khatami-Ardakani who became the next President of Iran in August 1997 and was re-elected in June 2001. The election of Khatami signaled a significant point for the Islamic Republic of Iran due to his great support for reform with reference to civil freedom and economic rehabilitation.

The Geopolitics of Iran

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15 Ibid.
The factor of geopolitics is of utmost importance concerning international relations. In this way, the geopolitics of Iran, which definitely drive U.S. and European interests in this country, have to be examined. There is no question that Iran belongs to the countries, which are of increased importance for both the USA and Europe. As Gawdat Bahgat argues, over the past several decades, ‘history, geography and natural resources have contributed to the rise of Tehran as a prominent regional power’\textsuperscript{18}.

Initially, it should be noted that Iran occupies a central position in the Persian Gulf\textsuperscript{19}. This country borders Pakistan and Afghanistan to the east, Turkmenistan to the northeast, the Caspian Sea to the north, Azerbaijan and Armenia to the northwest, Turkey and Iran to the west and the waters of the Persian Gulf and the Gulf of Oman to the south. The strategic geographical position of Iran could not be easily ignored by global power as the USA and the EU.

Furthermore, there is no question that Iran has vast natural resources. According to the British Petroleum (BP) Statistical Review of World Energy, Iran holds 9 percent of world oil proven reserves and 15 percent of world natural gas proven reserves\textsuperscript{20}. In particular, Iran which is the second largest oil producer of the Organisation of Petroleum Exporting Countries (OPEC) has an economy which relies on oil export revenues\textsuperscript{21}. These oil export revenues constitute approximately 80% of its total export earnings, 40%-50% of the government budget, and 10%-20% of its Gross Domestic Product (GDP)\textsuperscript{22}. Iran has 32 producing oil fields, of which 25 are onshore and 7 offshore\textsuperscript{23}. The vast majority of Iran's crude oil reserves are located in giant onshore fields in the south-western Khuzestan region near the Iraqi border and the Persian Gulf\textsuperscript{24}. In addition, Iran has huge potential concerning natural gas as well. It contains an estimated 812 Trillion cubic feet in

\textsuperscript{18} Bahgat, \textit{The Persian Gulf at the Dawn of the New Millenium} p. 97.
\textsuperscript{19} See appendix I.
\textsuperscript{20} Bahgat, \textit{The Persian Gulf at the Dawn of the New Millenium} p. 97.
\textsuperscript{21} 'Iran' in \url{http://www.eia.doe.gov/emeu/cabs/iran.html}.
\textsuperscript{22} Ibid.
\textsuperscript{23} Ibid.
\textsuperscript{24} Ibid.
proven gas reserves\textsuperscript{25}. In this way, it is the second largest country in gas reserves and is surpassed only by Russia\textsuperscript{26}.

\textsuperscript{25} Ibid.
\textsuperscript{26} Ibid.
COLD WAR PERIOD

US – Iran Relations

Examining briefly US-Iran relations during the Cold War period, it should be noted that the US main interest had been to preserve Iran’s independence from the threat of the Soviet Union. That is to say that within the framework of the bipolar world during the Cold War, the USA feared Soviet expansionism. Iran helped resist Soviet pressure of Afghanistan and penetration of the Middle East. During the Shah reign, Washington enjoyed close and warm relations with that regime at a political as well as economic level and many U.S. policymakers felt gratitude for its support of the USA in various Cold War crises. The big arms transfer between Washington and the Pahlavi regime was indicative of their friendship. As Nicola Pede writes, Iran was the only country – with the exception of the U.S.A - which had the modern Grumman F-14A and Phoenix and Sidewinder missiles in the 1970’s.

Nonetheless, the overthrow of the Shah in 1979 was a turning point for US-Iran relations. According to Samuel Huntington, ‘an intercivilisational quasi war’ started to develop between Islam and the West in the aftermath of the Iranian revolution. The U.S.A was viewed as the ‘Great Satan’ in Iran. The ayatollah based regime engaged in a series of actions in violation of international law. For example, from 1979 to 1981, it held 50 American diplomats hostage for 14 months, while throughout the 1980’s organisations supported by Tehran were responsible for the kidnappings of...
Americans and other Westerns in Beirut\textsuperscript{33}. The US response was to stop buying Iranian oil and to freeze Iranian assets.

During the Iran-Iraq War, the official position of the U.S.A was based on neutrality, but practically, it supported Iraq by discouraging its allies to sell arms to Iran. However, on the basis of the ‘Iran Contra Affair’, the Reagan Administration sold secretly weapons to Iran in exchange with the release US hostages being held in Lebanon despite the opposition of the Congress.

Khomeini’s death in 1989 was a positive development for US-Iran relations. The White House hoped that after his passing Iran would move toward assuming a responsible role in the international community\textsuperscript{34}. US-Iran relations since Khomeini’s death will be examined within the framework of the new world order following the collapse of the Soviet Union.

**EEC – Iran Relations**

On the other hand, as concerns European Economic Community’s (EEC) relations with Iran in the Cold War period, what should be pointed out is that EEC’s goal was not different from that of the USA; that is to say to avoid the expansion of communism in Iran. Although the EEC had tried to make its first steps towards a common foreign policy, especially regarding the Arab-Israeli conflict, since the creation of the European Political Cooperation (EPC) in 1970, it viewed its relations with Iran in terms of security within the framework of the Cold War and in coordination with US policy.

In this way, it is not easy to discriminate between US and EEC policy towards Iran in the Cold War era. As it happened with the USA, during the Shah reign, EEC countries, and especially Britain – which also had important historical ties with Iran- France and Italy, maintained good economic relations with Iran\textsuperscript{35}. Following the fall of Shah, the anti-Western rhetoric of Iran touched not only the USA but also Western Europe. As long as Iran antagonised the USA, the EEC condemned Iran’s

\textsuperscript{33} Ibid, p. 197.

\textsuperscript{34} Mark Tran, ‘Iran after Khomeini: White House Hopes for Better Times’ in \url{http://www.guardian.co.uk/iran/story/0,12858,902696,00.html}, 05/06/1989.

\textsuperscript{35} ‘Iran’s Foreign Policy’ in \url{http://www.sedona.net/pahlavi/policy.html}.
position. It is worth-mentioning that following the US unilateral imposition of an economic embargo in April 1980 against Iran, the foreign Ministers of the EEC declared a more limited economic embargo and halted all military contacts with the country\textsuperscript{36}. One of the most important problems in EEC-Iran relations during the 1980’s was the determination of the Khomeini’s regime to pursue its opponents on European territory\textsuperscript{37}. Iranian’s security and intelligence officials were active in Europe in order to monitor the activities of former officials of the regime of the ousted Shah as well as of non-monarchist opponents such as members of the Iranian Kurdish Democratic Party\textsuperscript{38}.

During the Iran-Iraq War, the EEC viewed Iran as an expansionist radical Islamic state. France and the UK did not vote for Iraq’s withdrawal in 1980 at the United Nations Security Council. As an example of the problematic relations between the EEC and Iran at that time, it could be mentioned that the UK closed its embassy in Tehran and did not re-open it until 1988, while France broke diplomatic relations with Iran in 1987\textsuperscript{39}.

It should be noted that in 1989 an important problem concerning EEC-Iran relations emerged. The ‘Rushdie affair’ was a thorn for EEC- later EU-Iran relations for almost 10 years. Specifically, Ayatollah Khomeini condemned to death the British author Salman Rushdie, who wrote a novel entitled ‘The Satanic Verses’, the content of which was blasphemous according to him. Strong reactions emerged at first from Italy and France\textsuperscript{40}. By-mid February 1989, the EEC countries recalled their ambassadors from Teheran and decided on the suspension of ministerial visits at the political and technical level\textsuperscript{41}. One month later, the EEC foreign minsters decided unilaterally to return to Tehran and to business as usual\textsuperscript{42}.

\textsuperscript{37} Ibid, p. 102.
\textsuperscript{38} Ibid, p. 102.
\textsuperscript{39} Rory Miller, University lecture, King’s College London, 24/02/2003.
\textsuperscript{40} Do Céo Pinto, ‘Sanctioning Iran: US-European Disputes over Policy Towards Iran’, p. 107.
\textsuperscript{41} Ibid, p. 107.
\textsuperscript{42} Ibid, p. 107.
POST-COLD WAR PERIOD

New World Order

The end of the Cold War led to a fundamental change of the international system. The dissolution of the Soviet Union was a turning point not only for the USA and the EU but also for Iran. For the USA, the collapse of the bipolar order of the world meant that there was no longer another superpower that could threaten it. So, it remained the sole superpower of the planet having unprecedented military superiority. The EU, prior EEC, also managed to emerge as a global power and started to play an important role in the international arena. On the basis of the Maastricht Treaty, the Common Foreign and Security Policy (CFSP) constituted the second pillar of the EU. As concerns Iran, its importance concerning regional stability in the Middle East and Asia increased. The emergence of six Islamic republics close to its borders removed its traditional threat from the north. In parallel, Soviet withdrawal from Afghanistan and Iraq’s defeat in Gulf War in 1990-1991 meant that there was no threat neither from east nor from west for Iran. At this stage, it is interesting to investigate the relations between Iran, the USA and the EU within the context of the new world order after the fall of the Berlin wall.
US – Iran Relations

US Interests

There are three important factors, which can explain US foreign policy towards Iran in the post Cold War era. Firstly, since 1990 the USA imported very little oil from Iran as well as from Iraq. That is to say that US oil imports from the Persian Gulf were not dependent on Iran and Iraq but on the six Gulf monarchies, namely Bahrein, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (UAE). Nevertheless, the USA was interested in ensuring reliable sources of energy for Europe, Japan and other countries because of the increasing interdependence of the global economy.

Secondly, the USA was opposed to the construction of pipelines, which would transit Iran. In particular, the USA sought to neutralise potential strategic alliances between Iran and Russia and China, the latter two of which would find themselves benefiting through links to Iran as a regional power in the Persian Gulf. The construction of a pipeline through Iran would increase its geopolitical importance because the Iranian route would likely be less expensive and could bring landlocked Caspian energy resources to international markets. US opposition to the construction of such a pipeline was also placed within its general strategy to promote the political viability of the newly independent Caspian states in the post-Cold War era. The USA gave political support to the construction of the Baku-Ceyhan pipeline that would transport energy resources westward from Azerbaijan to Turkey via Georgia and of a trans-Caspian pipeline from Kazakhstan and Turkmenistan as its sought to block not only Iran’s but also Russia’s influence on the Caspian Sea states.

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46 Ibid, p. 4.
48 Ibid, p. 5.
49 The existence of Russian pipelines was increasing the influence of Russia. Ibid, p 5.
And thirdly, an important domestic issue should be taken into account. That is the close US-Israeli relationship, which influences the policy-making of Washington. In particular, the role of the Israeli lobby in the USA could put pressure on the US Administration to adopt pro-Israeli positions concerning foreign policy issues, where Israel has national interests at stake. For instance, in 1995, the American Israeli Public Affairs Community (AIPAC) produced a detailed report advocating a policy of comprehensive sanctions against Iran and used it as the basis of an energetic congressional lobbying campaign.50

Beyond the above mentioned factors, it should be written down that the main issues, which were of great significance concerning US-Iran relations in the post Cold War era, were the following: terrorism, the Middle East Peace Process, Weapons of Mass Destruction (WMD) and human rights. Initially, concerning the terrorism issue, it is true that the USA had placed Iran on the State Department list of states, which supported terrorism since 1984.51 Washington was accusing Tehran of sponsoring international terrorism against the dissidents of the Islamic regime and against American targets.52 For example, an Iranian diplomat was accused for the bombings in the Jewish Community Center in Buenos Aires in 1994.53 In addition, there was evidence that linked Iran sponsored groups to the bombing of the American military barracks at Khobar Towers in Saudi Arabia, which killed 19 Americans in 1996.54

Moreover, and in correlation with the terrorism issue, Iran was one of the states that expressed its opposition to the Middle East peace process since its beginning after Gulf War I. According to Henry Kissinger, Iran did its utmost to undermine the Middle East peace process by being the patron of Hezbollah and by providing financial support to Hamas and the Palestine Islamic Jihad, which regularly claimed responsibility for terrorist attacks on Israeli civilians.55 Taking into account that making peace between the Israelis and the Palestinians was a major goal for US Middle East policy,

54 Kissinger, Does America Need a Foreign Policy?, p. 197.
55 Ibid, p. 197.
it becomes clear that Tehran’s opposition to the peace process was a serious challenge for Washington. The USA was not disposed to lose the unique opportunity for peace in the Middle East after the Madrid peace conference and the signing of the Declaration of Principles (DoP) in Oslo in 1993 between Israel’s Prime Minister Yitzhak Rabin and PLO’s leader Yassir Arafat.

Furthermore, Tehran’s efforts to acquire biological, chemical and nuclear weapons as well as ballistic missiles was another concern for Washington. In particular, the Iranian regime was developing a clandestine nuclear capability assisted by dual technology from the West and with some support of Russia, although it had signed the Non Proliferation Treaty (NPT)\(^{56}\). It was also building long-range missiles capable of striking the Middle East and most of Central Europe\(^{57}\).

Last but not least, Washington was anxious concerning the violation of human rights in Iran. Under Iran’s constitution, its military, intelligence, police and judicial institutions were answerable to the Supreme Leader Ayatollah Ali Khamenei, who regularly incited the population of Iran to chart ‘Death to America’\(^ {58}\). The forces, which were under Khamenei’s control were responsible for human rights suppression\(^ {59}\). In this way, the principles of Islamic fundamentalism were being consolidated, while the chances for secularisation of the regime were being reduced in Iran\(^ {60}\).

**US Policy Evolution**

After the examination of the above mentioned US interests and issues regarding Iran, the question that can be raised concerns with the foreign policy that the USA followed towards Iran. As Madeleine Albright explains: ‘the purpose of foreign policy is to influence the policies and actions of other nations in a way that serves your own interests and values’\(^ {61}\). So, in what way attempted the USA to pursue its own interests vis-à-vis Iran?

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56 Ibid, p. 198.
57 Ibid, p. 198.
60 The human rights issue will be further analysed in the chapter ‘EU-Iran Human Rights Dialogue’.
The USA decided to pursue a policy of dual containment equating Iran with Iraq. Iran and Iraq were both considered rogue regimes and the USA aimed at isolating them and denying them the capacity to develop advanced arms. In 1995, the Clinton Administration enacted the Executive Orders that imposed a complete trade and investment embargo on Iran. The US policy of containment culminated in 1996 with the Iran-Libya Sanctions Act (ILSA), which imposed sanctions on foreign companies investing over $40 million per year in development of petroleum resources in Iran or Libya. It should be noted that at that time there was a large debate concerning US policy of dual containment. For instance, former National Security Advisers Zbigniew Brzezinski and Brent Scowcroft and former Assistant Secretary of State Richard Murphy argued that this policy was driving the USA and its allies apart and Iran and Russia together.

The election of President Khatami in 1997 was a positive development for US-Iranian relations. That is because President Khatami sought to restore Iran’s damaged international relations. In an interview with CNN in January 1998, Khatami signaled willingness to open a new chapter in Iran’s relations with the USA by advocating a dialogue of civilisations beginning with the exchange of scholars, artists, journalists and tourists. US response was to welcome Khatami’s election and the growing popular pressure in Iran for greater freedom. In February 2000, when Khatami’s supporters won the parliamentary elections, the USA decided to embark on a second attempt to improve its relations with Iran. So, in March 2000 it announced the lifting of importing restrictions on Iran’s principal non-oil exports as carpets, pistachios, dried fruits and caviar. George W. Bush, who came into power 9 months before the terrorist attacks of 11 September, continued Clinton’s

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63 Ibid, p. 320.  
64 ‘Thinking beyond the stalemate in US-Iran Relations’, p. 4.  
67 Albright, Madam Secretary-A Memoir, p. 320.  
68 Ibid, p. 320.  
69 Ibid, p. 323.
policy of isolation vis-a-vis Iran from January until September 2001. In this way, the USA extended the ILSA for further 5 years in July 2001.

The conclusion that can be reached is that in the end of Bill Clinton’s Administration and at the beginning of that of George W. Bush there was no significant progress in US-Iran relations concerning the important issues of terrorism, Middle East Peace Process, WMD and human rights. It should also noted that US-Iran relations had been perplexed to a larger extent since the collapse of the Middle East peace process in August 2000 and the beginning of the second ‘Intifada’ in September of the same year. Palestinian suicide attacks started to occur and Iran, who viewed these terrorist attacks as a struggle for national liberation of the Palestinians, did not hide its support for them.\(^{70}\)

**EU - Iran Relations**

**EU Interests**

The most important element, which can explain European foreign policy towards Iran in the post Cold War era, is the reciprocal economic interest. The EU is the main trading partner of Iran,\(^{71}\) which having cut relations with the USA needed Europe in terms of economic development and reconstruction, especially after its 8 years long war against Iraq. Power machinery plants, large machinery, electrical and mechanical appliances constitute 45% of its imports from the EU.\(^{72}\) On the other hand, the EU, unlike the US, is dependent on energy supplies from Iran.\(^{73}\) EU energy imports from Iran represent approximately 4% of the total EU imports in energy products.\(^{74}\) So, EU imports

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\(^{70}\) Kissinger, *Does America Need a Foreign Policy?*, p. 198.


\(^{72}\) Ibid.

\(^{73}\) Bahgat, *The Persian Gulf at the Dawn of the New Millenium* p. 147

from Iran are dominated by petroleum in a percentage of 80% of total, followed by carpets, pistachios and caviar.\textsuperscript{75}

In particular, three of the most important countries of the EU, namely France, Germany and Italy along with China Japan, Russia, and the UAE are the main trade partners of Iran\textsuperscript{76}. France is the 4\textsuperscript{th} largest trade partner of Iran, holding 6.6\% of the Iranian market\textsuperscript{77}. Crude oil constitutes the lion’s share of its imports from Iran. French exports to Iran mainly comprise farming machinery and agricultural products\textsuperscript{78}. In addition, in the previous years, France and Iran had banking cooperation\textsuperscript{79} and were also involved in a car-making project\textsuperscript{80}. By 1996, 3 technical accords with Iran, which bought from France telecommunication satellites and 10 Airbus planes worth of $500 millions\textsuperscript{81}.

Germany is the biggest EU exporter and provider of technological assistance to Iran\textsuperscript{82}. In 1992, German-Iran trade reached a volume of more than $6.8 billion, the highest since the Revolution of Iran\textsuperscript{83}. However, in the 1990’s the German Government focused on debt-rescheduling to guarantee the repayment of past debts since Iran had significant debts to Germany\textsuperscript{84}. So, from 1992 until 1999 German companies were not engaged in new business with Iran. Since 1999, German companies have started to engage in important business in Iran. For instance, in January 2001 the German company Krupp and the Iranian Engineering Company Sazeh signed a contract of cooperation\textsuperscript{85}.

As concerns Italy, it is interested in importing crude oil and also livestock products such as pickled hide and cow hides, textiles, agricultural and horticultural products from Iran, while its exports to that country include machinery, equipment for power generation and consumption, and

\textsuperscript{75} Communication de la Commission au Parlement Europeen et au Conseil, ‘Relations entre l’ UE et la Republique Islamique d’Iran’, 07/02/2001, p. 5.
\textsuperscript{76} Pede, ‘Il Difficile Percorso delle Riforme nella Repubblica Islamica dell’ Iran, dalla Monarchia alla Teocrazia’, p. 143.
\textsuperscript{77} ‘Iran Takes Major Steps to Expand Ties with EU’ in \url{http://www.iccim.org/English/Magazine/iran_commerce/no1_2000/06htm}.
\textsuperscript{78} Ibid.
\textsuperscript{79} Ibid.
\textsuperscript{80} ‘Les Echanges Commerciaux entre la France et l’Iran se Développent’ in \url{http://www.ambafrance-ir.org/french/economie/economie.html}.
\textsuperscript{81} Miller, University lecture – King’s College London.
\textsuperscript{82} Ibid.
\textsuperscript{83} Menashri, ‘Iran and the West: Continuity and Change under Khatami’s Presidency’, p. 178.
\textsuperscript{84} Menashri, ‘Iran and the West: Continuity and Change under Khatami’s Presidency’, p. 180.
\textsuperscript{85} ‘Germany’s Krupp, Iran’s Sazeh Company Cooperate in Polyethylene Plant’ in \url{http://www.payvand.com/news/01/jan/1089.html}. 

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machinery for special purposes and chemical products. However, it should be noted that not only France, Germany and Italy but also other EU countries were economically interested in approaching Iran. British firms, for example, were particularly interested in the oil and gas fields of Iran, while Spain sought cooperation with Iran in the economic, scientific and cultural fields.

Beyond the important reciprocal economic interests in EU-Iran relations, it should be taken into account that the EU had also an important advantage approaching Iran. That is its stance concerning the Arab-Israeli conflict. Unlike the USA, the EU had a more pro-Palestinian position, which had become clear since 1970’s and the Venice Declaration in 1980, continued in the post Cold War era and culminated with the Berlin Declaration in 1999, when the EU recognised the right of the Palestinians to create its own state. In this way, in Iranian eyes, as well as in the eyes of the Arab world the EU was viewed as less biased or at least not hostile to the demands of the Palesstinians, as the USA.

EU Policy Evolution

Comparing US/EU foreign policy approaches towards Iran in the post Cold War period, it should be noted that the EU agreed with the issues of terrorism, Middle East peace process, WMD and human rights, which were on the agenda of the USA regarding its relations with Iran. That is to say that the EU shared US concerns. Nonetheless, the EU did not agree on the appropriate response with reference to Iran and argued that political dialogue rather than economic pressure and sanctions were more likely to induce moderation in Teheran’s policies. The EU strongly believed that a policy of isolation could only strengthen the hands of the extremists in Iran and that it might not have positive

86 ‘Iran-Italy Trade Hits $ 2.7 bn in First 11 Months’ in http://www.payvand.com/news/01/feb/1137.html, 25/02/01.
88 Johannes Reissner, ‘Europas Beziehungen zu Iran’ in Aus Politik und Zeitgeschichte, Das Parlament, 23/02/2004, p. 49.
89 Do Ceu Pinto, ‘Sanctioning Iran: US-European Disputes over Policy Towards Iran’, p. 103.
results as contact with the target state would be lost\textsuperscript{90}. The EU regarded Iran as regional power, instrumental to Persian Gulf stability and not as a rogue state\textsuperscript{91}.

On that basis, the EU decided to keep channels of communication with Iran open. The relations between both sides have been based on the principal of critical dialogue according to a decision of the Council of the European Union on 12 December 1992\textsuperscript{92}. Dialogue between the EU and Iran was launched in 1995. So, the EU states, along with Japan and Canada, were opposed to the ILSA. That is because the EU countries were reluctant to adopt measures that might mean a loss of business for their companies\textsuperscript{93}. For instance, European firms such a Royal Dutch/Shell and British Gas, which had already signed preliminary investments agreements with Iran saw the ILSA as an important obstacle in their business activities\textsuperscript{94}. In this way, the European Commission filed formal complaints against the USA with the World Trade Organisation (WTO)\textsuperscript{95}. At that stage, the USA and France were brought to the brink of confrontation when French Finance Minister Dominique Strauss-Kahn warned the USA that it would face a showdown if it tried to condemn the French oil Company Total, which planned to make a substantial investment in the energy sector\textsuperscript{96}. In April 1997, the USA and the EU reached an agreement through a WTO process\textsuperscript{97}. This agreement, named Memorandum of Understanding (MoU), was based on EU suspension of its WTO case in exchange for a US commitment to work towards neutralising the effects of the ILSA\textsuperscript{98}. A good illustration of the US-EU differences was the fact that in September 1997 the National Iranian Oil Company signed an agreement with Total of France along with Gazprom of Russia and Petronas of Malaysia\textsuperscript{99}. Finally, in May 1998, the Clinton Administration decided to waive sanctions against European companies,
which were doing business with Iran\textsuperscript{100}. Accordingly, oil companies such as Agip of Italy and Elf Aquitaine of France signaled their interest in investing in Iran\textsuperscript{101}.

It should be noted that in April 1997 EU’s position towards Iran hardened. That was because of a decision of a German court implicating the Iranian political leadership in the assassination in Berlin in September 1992 of 4 Iranian opposition activists, including 3 senior leaders of the Kurdistan Democratic Party of Iran \textsuperscript{102}. The so called ‘Mykonos affair’ was definately a thorn for EU-Iran relations as well as the ‘Rushdie affair’. After a meeting of its foreign ministers in April 1997 in Luxemburg, the EU adopted several measures to punish Iran including halting bilateral ministerial visits and denying visas to Iranians holding intelligence and security posts\textsuperscript{103}. A few months later these measures were lifted.

With the exception of the ‘Mykonos Affair’ EU-Iran relations started to improve from 1997 onwards and following the election of President Khatami A Comprehensive Dialogue in the form of semi-annual troika meetings at the level of Under-secretary of State/Deputy Minister was established in 1998\textsuperscript{104}. In parallel, a range of official visits took place. For instance, in 1999 the Presidents of Austria and Greece visited Teheran, while the President of Iran Khatami visited Rome, Berlin and Paris. On 7 February 2001, the European Commission adopted a Communication, approved by the Council in May 2001, setting out the perspectives and conditions for developing closer relations with Iran aimed at leading to the conclusion of a Trade and Cooperation Agreement (TCA)\textsuperscript{105}.

\begin{thebibliography}{9}
\bibitem{100} Do Ceu Pinto, ‘Sanctioning Iran: US/European Dispute over Policy towards Iran’, p. 105.
\bibitem{101} Bahgat, \textit{The Persian Gulf at the Dawn of the New Millennium} p. 150.
\bibitem{102} Do Ceu Pinto, ‘Sanctioning Iran: US/European Disputes over Policy towards Iran’, p. 104.
\bibitem{103} Bahgat, \textit{The Persian Gulf at the Dawn of the New Millennium} p. 151.
\bibitem{104} “The EU’s Relations with Iran”.
\bibitem{105} Ibid.
\end{thebibliography}
AFTER 11 SEPTEMBER

The Terrorist Attacks

The world was shocked on 11 September 2001. Terrorists hijacked four passenger planes and crashed two of them into the World Trade Center in New York. The twin towers collapsed shortly afterwards. Another plane crashed into the Pentagon - the US military headquarters in Washington DC. And a fourth plane crashed in a rural area near Pittsburgh, killing all those on board. Around 3,000 people died in total. These are some excerpts of George W. Bush’s speech on that day: ‘Thousands of lives were suddenly ended by evil, despicable acts of terror. The pictures of airplanes flying into buildings, fires burning, huge structures collapsing, have filled us with disbelief, terrible sadness and a quiet, unyielding anger. These acts of mass murder were intended to frighten our nation into chaos and retreat. But they have failed. Our country is strong. A great people has been moved to defend a great nation. Terrorist attacks can shake the foundations of our biggest buildings, but they cannot touch the foundation of America. The search is underway for those who are behind these evil acts. I’ve directed the full resources for our intelligence and law enforcement communities to find those responsible and bring them to justice. We will make no distinction between the terrorists who committed these acts and those who harbor them. This is a day when all Americans from every walk of life unite in our resolve for justice and peace. America has stood down enemies before, and we will do so this time. None of us will ever forget this day, yet we go forward to defend freedom and all that is good and just in our world’

Henry Kissinger, analysing the terrorist attack of 11 September writes that it was a human tragedy but that it also marked a turning point demanding a vision for the future. He explains that although the USA had experienced terrorism, it was generally aimed at US installations abroad and

107 Kissinger, Does America Need a Foreign Policy?, p. 289.
had symbolic impact\textsuperscript{108}. Nonetheless, the attacks on the World Trade Center and the Pentagon, he argues, went beyond symbolic pinpricks since they were a fundamental challenge to US civil society and security\textsuperscript{109}. Since international terrorism literally hit the USA on 11 September, an outraged American public wanted those responsible brought to justice and demanded a foreign policy that could make sure that such events would not happen again in the future\textsuperscript{110}. In this way, the war against terror became the US number one foreign policy priority after 11 September because terrorism began to represent the most important threat to American lives\textsuperscript{111}.

The goal of that paper is not to judge the way the USA responded to the unprecedented terrorist attacks of 11 September. Neither does it seek to find out what would have happened if 11 September did not occur and whether – in that case- the USA would have followed the same or a different policy. Its purpose is to deal with the reality, and so, to highlight that after 11 September, the terrorism issue became of increased importance for the USA. George W. Bush’s speech on 11 September and Henry Kissinger’s point of view contribute to the understanding of the significance of the terrorism issue since 11 September for Washington. So, within the framework of the new reality after 11 September and the US fight against terror, US-Iran relations and subsequently EU’s stance have to be analysed.

### The USA and Iran

#### Iran’s response to the terrorist attacks

Iran condemned the terrorist attacks of 11 September and urged the UN to lead an international fight against terrorism. President Mohammad Khatami was among the first to lend his voice to the chorus of world leaders condemning them\textsuperscript{112}. Many other Iranian officials from both sides of the political

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\textsuperscript{108} Ibid, p. 289.
\textsuperscript{109} Ibid, p. 290.
\textsuperscript{111} Ibid, p. 22.
Common Interest: The Taliban

The tragedy of 11 September reminded Washington and Tehran of their shared interests with regard to their opposition to the Taliban regime in Afghanistan. In parallel with Washington that considered the Taliban as responsible for the terrorist attacks of 11 September, Tehran also viewed them as a clear danger to Iran. Iran’s opposition to the Taliban is based on their different interpretation of the Islamic law. Since 1996, when the Taliban came to power, Iran has already hosted approximately 1 million Afghan refugees, while it nearly went to war with Afghanistan in 1998 in response to the murder of 10 Iranian diplomats and a journalist by Taliban soldiers.

Iran officially opposed the U.S. attack on Afghanistan. However, it made no effort to interfere and even cooperated quietly with the USA. In particular, it reinforced the control of its vast borders with Afghanistan, offered to rescue the American servicemen, and promised to apprehend al-Qaeda fighters fleeing through them. In this way, during and immediately after the overthrow of the

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113 Ibid.
114 Ibid.
115 Ibid.
Taliban regime in Afghanistan, there had seemed some possibility for the beginning of an US-Iran dialogue and for the normalisation of diplomatic ties between these countries.\textsuperscript{120}

Especially after the fall of the Taliban, US and Iranian diplomats worked in close harmony in the multilateral negotiations to design a transition to a new political system in Kabul\textsuperscript{121}. As an example, it can be mentioned that at the Bonn meeting of the Afghan’s exiled leadership that led to the current post-Taliban regime in Kabul, Iran’s observer Javad Zarif was directly asked by US mediators to intervene when the talks stalled at one point.\textsuperscript{122}


\textsuperscript{121} Lewis, ‘The Infernal Triangle, Iran, Israel and the United States’, p. 9.

\textsuperscript{122} Afrasiabi and Maleki, ‘Iran’s Foreign Policy after 11 September’, p. 259.
Washington Changes Attitude - Preemptive Defence

The War against Afghanistan was successful for the USA. Following that victory, US self-confidence increased as Washington realised that it could go alone in the war against terror. There was no doubt that the USA was militarily strong to continue fighting terrorism irrespective of international consensus and of the assistance of its traditional allies. In this way, the US Administration was prepared to fight a war not only to defend itself but also to prevail. Its self-defence strategy started to become pre-emptive.

Within this context and although there was cooperation between the USA and Iran during the US military campaign against Afghanistan, relations between these countries entered a new phase at the beginning of 2002. Washington viewed the Israeli intercept and capture in January 2002 of the Karine-A, a ship secretly purchased by the Palestinian Authority that was allegedly carrying some 50 tons of weapons and explosives from Iran’s Kish Island to Palestine, as a proof of Iran’s support for terrorism. However, the Carine-A case can only be seen as a pretext for the change of US attitude vis-a-vis Iran. What should be pointed out is that Washington followed a smart policy towards Iran in the following months after 11 September in order to enhance its chances of success in its military operation against Afghanistan. That is to say that the USA overlooked or pretended to overlook temporarily any objections it had regarding Iran’s policy in order to gain its support during the War against Afghanistan. Although the way the USA acted is cynical, it is true that foreign policy has no sentiments. This argument becomes more convincing taking into account that the USA followed a similar policy concerning the Arab-Israeli conflict in order to gain Arab support in the immediate aftermath of 11 September. It was not a coincidence that George W. Bush spoke for the first time in favour of a Palestinian state in October 2001. However, after the War against Afghanistan, he started to back Israel’s Prime Minister Ariel Sharon following a ‘hands off’ concerning the Arab-Israeli peace process.

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There is no question that George W. Bush’s State of Union Address of 29 January 2002 was a crucial point for US-Iran relations. On that day, the President of the USA included Iran in the ‘Axis of Evil’ along with Iraq and North Korea. Specifically, US President argued inter alia: ‘Our nation will continue to be steadfast, and patient and persistent in the pursuit of two great objectives. First, we will shut down terrorist camps, disrupt terrorist plans and bring terrorists to justice. And second, we must prevent the terrorists and regimes who seek, chemical, biological or nuclear weapons from threatening the USA and the world. Some of these regimes have been pretty quiet since 11 September, but we know their nature. Iran aggressively pursues these weapons (WMD) and exports terror, while an unelected few repress the Iranian people’s hope for freedom. States like these (North Korea, Iran and Iraq) and their terrorist allies, constitute an axis of evil arming to threaten the peace of the world. By seeking weapons of mass destruction, these regimes pose a grave and growing danger. They could provide these arms to terrorists, giving them the means to match their hatred. They could attack our allies or attempt to blackmail the USA. In any of these cases the price of indifference would be catastrophic’.125

Bush’s strategy was laid out publicly in the National Security Strategy of the USA in September 2002. The key passage related to preemption was the following: ‘We will build defenses against ballistic missiles and other means of delivery. We will cooperate with other nations to deny, contain and curtail our enemies’ efforts to acquire dangerous technologies. And, as a matter of common sense and self-defense, America will act against such emerging threats before they are fully formed. We cannot defend America and our friends by hoping for the best. So we must be prepared to defeat our enemies’ plans, using the best intelligence and proceeding with deliberation’.126

Iran’s Response to the ‘Axis of Evil Speech’

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Iran immediately expressed its opposition to George W. Bush’s ‘Axis of Evil’ speech. Iranian Foreign Minister Kamal Kharazzi said after George W. Bush’s Axis of Evil speech: ‘We condemn the American accusations and think the world no longer accepts hegemony. We think Mr. Bush would do better by providing proof of his allegations. He should know that the repetition of such allegations is not going to help him’\textsuperscript{127}. In addition, President Khatami said that George W. Bush's remarks on 29 January 2002 were reminiscent of Washington's attitude towards Iran after the 1979 Islamic revolution and that they showed not only that the US President did not have the ability to learn from history but also that US policy during his administration was worse and more unrealistic than under his predecessors\textsuperscript{128}.


\textsuperscript{128} ‘Iran Accuses Bush of War Mongering’ in \url{http://news.bbc.co.uk/1/hi/world/americas/1792767.stm}, 30/01/2002.
Outstanding Problems

Iran’s Nuclear Programme

As it has become clear, within the framework of US preemptive defence, George W. Bush singled out terrorist nuclear attacks on the USA as the defining threat this country would face in the foreseeable future\(^{129}\). Therefore, the USA started to follow a policy, which would require ensuring that all nuclear aspirants, especially Iran and North Korea, stop producing highly enriched uranium and plutonium\(^{130}\). This effort should begin under the auspices of inspections mandated by the Non Proliferation Treaty (NPT), including the NPT’s Additional Protocol that allowed more intrusive inspections of suspected nuclear sites\(^{131}\).

In December 2002, the USA revealed that Iran had surreptitiously constructed two nuclear facilities to enrich uranium and produce heavy water\(^{132}\). Once completed, these would provide Iran with the capacity to produce weapons-grade uranium and plutonium\(^{133}\). The USA published satellite images of two nuclear sites under construction at Natanz and Arak\(^{134}\). On these grounds, in February 2003, the UN International Atomic Energy Agency (IAEA) conducted a series of inspections in Iran, with the latter confirming that there were sites at Natanz and Arak under construction, but insisting that these sites, as it happened with Bushehr, were only designed to provide fuel for future power plants\(^{135}\). The inspectors of the IAEA found out Iran had already built more than 100 centrifuges to enrich uranium and planned to build 500 at all\(^{136}\).

In June 2003, the IAEA report accused Iran of failing to meet its obligations since it had not given a report of the processing and use of its nuclear material and it had not declared where this material...

\(^{130}\) Ibid, p. 70.
\(^{131}\) Ibid, p. 70.
\(^{133}\) Ibid, p. 184.
\(^{135}\) Ibid:
\(^{136}\) Daalder and Lindsay, America Unbound – The Bush Revolution in Foreign Policy, p. 184.
was stored and processed. The report noted that the quantities of nuclear material involved had not been large but it also said that Iran's failure to report back was a 'matter of concern'. It is worth-mentioning that the IAEA Director Mohammed El-Baradei was then wondering about the use of 2 tons of uranium Iran bought from China in 1991.

On that basis, in June 2003, US Secretary of Defence Donald Rumsfeld announced that the intelligence community in the USA and all over the world assessed that although Iran did not have yet nuclear weapons, it had a very active programme and was likely to have them in a relatively short period of time. The US Administration, which had declared that it would not tolerate the construction of a nuclear weapon by Iran, sought to gain UN Security Council involvement in the case of Iran’s non compliance with the IAEA demands. Simultaneously, the USA also wanted to gain Moscow’s support in order to show Tehran that they were both ready to take necessary measures to prevent it from producing its own fissile material.

In September 2003, Washington condemned Iran that it was not complying with international non-proliferation accords. On 13 October, Washington went further and dismissed the report of the IAEA, which admitted that Iran had produced plutonium but added there was no evidence that the country was trying to build an atomic bomb. Even after December 2003, when Iran signed the Additional Protocol to the 1968 international nuclear NPT at IAEA headquarters in Vienna, Washington was not certain about Iran’s peaceful nuclear ambitions.

At the beginning of 2004, US concerns about Iran’s nuclear programme were once more increased. In particular, in February 2004, UN inspectors found a new type of centrifuge design in Iran and other experiments that Tehran had failed to declare, despite its claim that it had fully disclose of its

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137 'UN Suspects Iran of Nuclear Breach’ in [http://news.bbc.co.uk/2/hi/middle_east/2969644.stm](http://news.bbc.co.uk/2/hi/middle_east/2969644.stm)
138 Ibid.
140 Daalder and Lindsay, America Unbound – The Bush Revolution in Foreign Policy, p. 184.
141 Allison, ‘How to Stop Nuclear Terror’, p. 70.
143 ‘Timeline: Iran Nuclear Crisis’.
144 Ibid.
nuclear programme\textsuperscript{146}. These new findings came at a time of heightened concern about nuclear proliferation, especially after the discovery of the rogue procurement network headed by Abdul Qadeer Khan, the so-called father of Pakistan’s nuclear bomb\textsuperscript{147}. The USA saw the undeclared centrifuge design in Iran as an additional evidence for Iranian deceit about its nuclear programme\textsuperscript{148}.

It should be mentioned that at the time this project was written, no light had been brought concerning Iran’s nuclear programme. In March 2004, the IAEA was once again not in a position to say that everything in Iran was exclusively for peaceful purposes, although there was no concrete proof that what Iran was doing was directly linked to the weapon programme\textsuperscript{149}.

\textsuperscript{146} Roula Khalaf, ‘Iran Fails to Declare Nuclear Design’ in Financial Times, 12/02/2004, p. 1.
\textsuperscript{147} Ibid.
\textsuperscript{148} Bertrand Benoit and Roula Khalaf, ‘US accuses Iran of nuclear arms deception’ in Financial Times, 13/02/2004, p. 2.
\textsuperscript{149} Excerpts of Mohamed El-Baradei’s interview on PBS in http://www.iaea.or.at/NewsCenter/News/2004/wmd_threats1903.html, 19/03/2003.
Iran and Terrorism: Links with al Qaeda?

At the same time, Washington’s concern about Iran’s support for terrorist groups was increased, and therefore, Iran was at the top of the US list of state sponsors of terrorism\textsuperscript{150}. Beyond Iran’s opposition to the Middle East peace process, Iran started to be condemned by the USA concerning the post-war situation in Afghanistan. There were 3 major US charges against Iran\textsuperscript{151}. Firstly, Washington condemned Iran that it had directly supplied Ismail Khan, who was chief warlord of Western Afghanistan based in Herat with weapons, evading the authority of the central government\textsuperscript{152}. Secondly, the USA claimed that Iran provided refuge to the Islamist leader Gulbuddin Hikmatyar, who opposed the US attack on the Taliban\textsuperscript{153}.

And thirdly, the most important US charge was that Washington accused Tehran that it provided refuge for members and leaders of al Qaeda fleeing the US offensive in Afghanistan\textsuperscript{154}. From the beginning of 2002, the USA had started to realise that Iran was not doing enough crack down on al Qaeda operatives fleeing from Afghanistan\textsuperscript{155}. On 2 April, 2002, US Secretary of Defence Donald Rumsfeld expressed his serious concern and said with reference to Iran that ‘it certainly would be helpful if they were more cooperative, and they have not been, particularly’\textsuperscript{156}.

US concern was increased in May 2003. On the basis of intelligence reports, al Qaeda operatives inside Iran might have directed the bombing of 12 May 2003 of residential compounds in Riyadh, Saudi Arabia that killed 34 people, including 9 Americans\textsuperscript{157}. Furthermore, in the end of May 2003, CNN learned that Iranian officials told a UN representative that Iran had several unnamed al Qaeda operatives in custody\textsuperscript{158}. This acknowledgment was of great significance, since it came as

\begin{itemize}
  \item \textsuperscript{150} Daniel Byman, ‘Should Hezbollah Be Next?’ in \textit{Foreign Affairs}, Vol. 82, No. 6, November/December 2003, p. 61.
  \item \textsuperscript{151} Barnett Rubin, ‘US and Iranian Policy in Afghanistan’ in \texttt{http://www.swp.org/common/get_document.php?id=515&PHPSESSID=9de17ceqe0f931123f12f530b47ba6a3}, p. 31.
  \item \textsuperscript{152} Ibid, p. 31.
  \item \textsuperscript{153} Ibid, p. 31.
  \item \textsuperscript{154} Ibid, p. 31.
  \item \textsuperscript{156} Idid.
  \item \textsuperscript{157} Daalder and Lindsay, \textit{America Unbound – The Bush Revolution in Foreign Policy}, p. 183.
  \item \textsuperscript{158} ‘Iran Admits Holding al Qaeda Operatives’ in \texttt{http://www.cnn.com/2003/WORLD/meast/05/22/alqaeda.iran/}, 25/05/2003.
\end{itemize}
Washington had intensified its accusations that al Qaeda terrorists were inside Iran, something Tehran had previously denied. For example, Donald Rumsfeld told that it was certain that al Qaeda leaders had been in Iran. For US officials, the key question was whether the al Qaeda operatives in custody were allowed to communicate and receive visitors.

In addition, Pakistan's intelligence community believed that the operational base of al Qaeda has shifted to Iran from Pakistan after the arrest of the network's military operations chief, Khalid Shaikh Mohammed on 28 February 2003 by Pakistan's powerful Inter Services Intelligence. For instance, President of Pakistan Pervez Musharraf said that some al Qaeda operatives certainly had relocated to Iran in the wake of the US-led war in Afghanistan. Moreover, in October 2003, US intelligence officials said that a group called the ‘al Quds force’, which was part of the Iranian Revolutionary Guard organisation, might be sheltering some al Qaeda leaders, including its military commander, Saif al-Adel, Saad bin Laden, son of the al Qaeda leader, and Sulemain Abu Gheith, bin Laden's spokesman.

Nevertheless, as an antilogous to US claims, it can be mentioned that Iran had collaborated with the USA with reference to al Qaeda. For example, in August 2002, Saudi Foreign Minister, Prince Saud al-Faisal said that Iran had handed over 16 al-Qaeda fighters to Saudi Arabia, and this signalled its co-operation with the USA. Iran officials refused any link of their country with al-Qaeda. Iranian officials also insisted that they had detained and expelled more than 500 al Qaeda suspects after the War on Afghanistan. In addition, Supreme Leader Ayatollah Ali Khamenei, President Mohammad Khatami and Foreign Minister Kamal Kharrazi criticised Washington statements about Iran-al Qaeda links.

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159 Ibid.
160 Ibid.
162 Ibid.
US intelligence reports, which link Iran to al Qaeda could not be put into question. Although it is true that al Qaeda operatives have been in Iran, what could be argued, at this point, is that the role Tehran regime played with regard to that reality is ambiguous. That is to say that there is no evidence that the Tehran regime is directly responsible for the coming of al Qaeda operatives to Iran. Hardline factions and not the Government of Iran might be responsible.

**Important events**

**The War on Iraq**

It should be noted that an important event, which influenced US-Iran relations in the period after 11 September was the US War on Iraq. Gulf War II changed the context of US-Iran relations. On the one hand, it increased the threat Iran perceived from the USA. In particular, in the wake of Gulf War II, what many officials and ordinary people in Iran were asking was whether the USA had put Iran next on its list for hostile attention after Afghanistan and Iraq. That is because Iran seemed as the logical candidate for the next US attack. It should be taken into account that US troops had already encircled Iran in the wake of the military campaign in Afghanistan and Iraq. For instance, on 19 June 2003, White House spokesman Ari Fleischer refused to rule out the military option in dealing with Iran. Moreover, in July 2003 George W. Bush said with reference to Iran that ‘all options remain on the table’. In other words, it seemed that the policy of ‘regime change’ - on the basis of US attempt for democracy exportation - that began with Baghdad would now sweep to Tehran.

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169 Daalder and Lindsay, America Unbound – The Bush Revolution in Foreign Policy, p. 185.
170 Johannes Reissner, ‘The Need for a Coherent, Comprehensive and Cooperative Approach to Iran’ in http://www.swp.org/common/get_document.php?id=515&PHPSESSID=9de17ceqe0f931123f12f530b47ba6a3
171 ‘Timeline: Iran Nuclear Crisis’.
In the wake of the toppling of Saddam Hussein’s regime, the Iranian leadership seemed to have realised that the only way to ward off any US attempt at military coercion was to acquire a strong military capability, and thus, raise to an unacceptable level the potential costs to the USA of an armed conflict. Accordingly, those in Tehran, who favour Iranian development of nuclear weapons sought to make the USA to deal with a nuclear-armed Iran. This argument includes the assumption that North Korea has a much stronger position vis-a-vis the USA because of its budding nuclear arsenal.

On the other hand, Gulf War II increased Iran’s ability to undermine an important US interest in Iraq, which was its post-war stability. The USA wanted to prevent Iranian meddling in the impending hostilities or in the post war reordering of the Iraqi society. Washington worried, since there were indications that Tehran was encouraging an Islamic fundamentalist takeover of Iraq. The power vacuum left after the toppling of Saddam’s regime was quickly filled by well organised Shiite groups, some of which as the Supreme Council for the Islamic Revolution in Iraq, had close ties with and were supported by the Iranian government. That is because Iran feared the emergence of a secular government in Iraq that would not only be close to the USA but also against Iranian theocratic interpretations of Islam. It is should be noted that the fear of Iraq’s disintegration, of its Islamic takeover and of the creation of an Iran leaning Islamic Republic was very strong in the US Administration. Its importance can be proved by the fact that it constituted one of the main reasons that led the USA to the decision to end Gulf War I in 1991 quickly and not to march on to Baghdad. A mistake that led to Gulf War II 12 years later...

As a conclusion, it could be mentioned that Gulf War II highlighted that in Iranian eyes the USA constitute the biggest threat to its security. Although two of the most important enemies of Iran,
namely the Taliban and Saddam Hussein were overthrown by the USA, rapprochement between Washington and Tehran does not seem possible.

The Earthquake

On 23 December 2003, a devastating earthquake struck the area around Bam in Iran, leaving over 30,000 people dead. The USA promptly offered whatever aid was needed in responding to the catastrophe, for instance an American emergency response team went to Bam, and for the first time in 25 years, the USA and Iran were openly cooperating.

The earthquake and the following cooperation between the USA and Iran created an opportunity for further collaboration between both sides. Confrontation of human tragedies, as the devastating earthquake, which hit Iran, bring people and countries closer and sometimes creates momentum for political cooperation as well. The most recent example was the improvement of Greek-Turkish relations following the earthquakes in Turkey and Greece in the summer of 1999. In the wake of these earthquakes, Greece and Tukey came closer and started to cooperate in a spirit of mutual understanding. As a result, nowadays, Greek-Turkish relations are marked by a spirit of solidarity for the first time since 1974.

Nevertheless, although it is early for a certain conclusion to be reached, the humanitarian cooperation between the USA and Iran did not seem to have political impact as well. On the one hand, US Secretary of State pointed out that the USA had still many concerns about Iran’s political behaviour. One the other hand, Iranians did not seek to seize the opportunity presented by the earthquake, since the pressure to reach an agreement would leave important points of contention

\[\text{It should be noted that not only the USA but also the EU responded to the humanitarian needs in the wake of the earthquake in Iran.}\]

\[\text{Roshamak Taghavi, ‘Earthquake Narrows US-Iran Rift’ in Al-Ahram Weekly On-line – }\]

\[\text{http://weekly.ahram.org.eg/2004/675/re8.htm} \ 29/01-04/02/2004.\]

\[\text{‘Iran Thanks America for Earthquake Relief’ in } \text{http://www.msnbc.msn.com/id/3808904/}. \ 30/12/2003.\]
unresolved\textsuperscript{184}. That is because it could not risk having many major issues it has long wanted to discuss with the US be overshadowed by the humanitarian aid aspect\textsuperscript{185}.

\textsuperscript{184} Taghavi, ‘Earthquake Narrows US-Iran Rift’.
\textsuperscript{185} Ibid.
The EU and Iran

Opposition to US approach

In the wake of 11 September terrorist attacks, the EU expressed its solidarity with the USA. The EU responded to the needs of the fight against terrorism by being a credible partner of the USA and by making an effective contribution to international political and military action against global terrorism\(^\text{186}\). On that basis, the EU supported the military operations, which began on 7 October 2001 in Afghanistan in line with UN Security Council Resolution 1368.

Nonetheless, the EU did not welcome George W. Bush’s ‘Axis of Evil’ speech. Following that speech, many European leaders indicated that they would oppose military action against the states identified by the U.S. President. The most characteristic European opposition to the ‘Axis of Evil Speech’ was expressed by French Foreign Minister Hubert Vedrine, who considered US policy as ‘simplistic’ that reduced the problems of the world to the struggle against terrorism\(^\text{187}\). Hubert Vedrine also said that an effective fight against terrorism should not only include the use of military means but deal with its root causes as poverty, injustice and humiliation\(^\text{188}\). In addition, Javier Solana, the EU's foreign policy chief, urged the USA to act multilaterally and not as a global unilateralist\(^\text{189}\).

EU opposition to the ‘Axis of Evil’ speech reflected its principle that terrorism could be also fought by economic and political means and not only by the use of violence and threats. Jonathan Stevenson explains the different European perception of terrorism on the basis of the region's experience with the old form of terrorism and not with the new transnational kind\(^\text{190}\). That is to say that the new challenge of terrorism since 11 September could not be compared to terrorist attacks, which had


\(^{188}\) Ibid.

\(^{189}\) Ian Black, John Hooper and Oliver Burkeman, ‘Bush Warned over Axis of Evil’ in http://www.guardian.co.uk, 05/02/2002.

occurred in Europe in previous years, for example by ‘ETA’ in Spain or by ‘17 November’ in Greece, and for that reason, it demanded a different way of dealing with it. Stevenson also correctly writes that the EU is not a United States of Europe, and therefore, ‘it simply lacks the kind of power necessary to effect simultaneous changes in the policies of its constituent national governments’191.

Within this framework and with reference to Iran, EU’s external affairs Commissioner Chris Patten said that the European policy of constructive and critical dialogue with Iran was more likely to bring results than the American approach192. Europeans argued that a policy of confrontation and threats would not only isolate Iran’s reformists but also undermine prospects for rapprochment193. EU sources insisted that it was important to encourage moderates in Iran against clerical and hardline groups, including those apparently responsible for an arms shipment to the Palestinian Authority194. That is because the EU strongly believed that despite many obstacles, Iran’s reformists had enhanced the prospects for political change and a more constructive foreign policy195. So, the EU supported the idea of an official dialogue, whose goal was to strengthen the leverage of Iranian reformists and, by so doing, encourage Iran to play a more positive role in the Middle East196.

EU Middle East vision was totally different from that of George W. Bush. The EU, unlike the USA, gave high priority to a settlement for the Israeli-Palestinian conflict and did not believe that US policy of ‘regime change’ could yield positive results in the Middle East. European circles believed that the use of violence would lead to the destabilisation of the region. According to them democracy could neither be exported by war nor apply in a domino effect. In addition, the EU strongly supported the role of the UN for any US initiatives for the shaping of the Middle East.

191 Ibid.
194 Black, Hooper and Burkeman, ‘Bush Warned over Axis of Evil’.
196 Ibid, p. 72.
Towards a TCA

Following the terrorist attacks of 11 September, the EU continued its policy of dialogue with the Islamic Republic of Iran. In addition to its particular economic interests in Iran and its support for Iran, the EU strongly believed that Iran could play an important role in the global fight against terrorism after the tragedy of 11 September. So, the EU did not stop to envisage tighter economic and commercial relations with Iran but also focused on Iran’s role in the anti-terrorist campaign.

On 19 November 2001, the European Commission approved a proposal to begin negotiations on a TCA along with a political dialogue that included the issues of terrorism, the Middle East Peace Process, WMD and human rights and presented draft negotiating directives\textsuperscript{197}. Consequently, on 17 June 2002, the EU Foreign Ministers agreed to adopt directives for a TCA, linked to separate instruments on political dialogue and antiterrorism. In particular, the Council restated its continued support for the process of reforms in Iran, reaffirmed its willingness to strengthen relations between both sides and called on it to promote and protect human rights and fundamental freedoms on the basis of relevant international conventions and co-operation with UN, as well as through reform of its judicial system\textsuperscript{198}. Concerning the terrorism issue, the EU expected Iran to implement fully UN Security Council Resolution 1373\textsuperscript{199} and to ratify and implement all relevant UN Conventions\textsuperscript{200}. With regard to the Middle East, the EU encouraged Iran to accept the idea of the creation of two States, Palestine and Israel, living peacefully side by side within secure and recognised borders\textsuperscript{201}. The above mentioned directives were formally adopted at a subsequent Council meeting in July 2002\textsuperscript{202}.

\textsuperscript{197} ‘EU-Iran: Commission Proposes Mandate for Negotiating Trade and Cooperation Agreement’ in \url{http://www.europa.int/comm/external_relations/iran/news/ip01_161.htm}.
\textsuperscript{198} See the Conclusions of the Council of 17/06/2002 in \url{http://www.europa.eu.int/comm/external_relations/iran/intro/gac.htm#170602}.
\textsuperscript{199} See Appendix II.
\textsuperscript{200} Conclusions of the Council, 17/06/2002.
\textsuperscript{201} Ibid.
\textsuperscript{202} ‘EU-Iran: Launch of Negotiations on New Agreements with Iran’, in \url{http://europa.eu.int/comm/external_relations/iron/news/ip02_1862.htm}. 
It should be also mentioned that the EU supported Iran’s application for membership in the WTO, which was opposed by the USA, and was interested in Iran’s economic development on the basis of WTO regulations. The spirit of rapprochement between the EU and the Islamic Republic of Iran was also proved by Khamal Kharazzi, who became the first Iranian foreign minister to address the European Parliament in Brussels in Februry 2003\(^{203}\). Nonetheless, at the beginning of 2003 the US War on Iraq was the main issue, which the EU dealt with. So, before and during that crisis the EU did not concentrate on its relations with the Islamic Republic of Iran.

**After the War on Iraq**

**Putting pressure on Iran**

Normally, the War on Iraq should be identified as an important point with reference to US-Iran relations. However, it was also significant for EU-Iran relations. That is because Gulf War II was a serious hit for EU foreign policy making. The EU was not able to act united and to speak with one voice in the international arena during that crisis. In this way, in the aftermath of the War on Iraq, the EU had to show that it still could follow a common foreign policy despite its failure during Gulf War II. As Steven Everts argues, following the War on Iran, the real test for EU’s foreign policy credibility would be the Iran case\(^{204}\). The fundamental difference, comparing European foreign policy towards Iraq and towards Iran is that in the second case the EU can count on Britain’s support, which enhanced its chances to act united.

In the aftermath of Gulf War II, the EU started to follow a smart policy towards Iran. It linked its negotiations on a TCA to changes in Iranian behaviour concerning the four outstanding issues of terrorism, Middle East peace process, WMD and human rights. So, it could use the political and economic incentives it was offering to Iran as a means of pressure on Tehran. If Iran failed to


\(^{204}\) Steven Everts, ‘Iran will be the Test for European Foreign Policy’ in [http://www.cer.org.uk/articles/everts_ft_1jun03.html](http://www.cer.org.uk/articles/everts_ft_1jun03.html), 01/08/03.
improve its political behaviour, the EU would not continue its engagement policy and sanctions might follow\textsuperscript{205}.

Since June 2003 EU concern about Iran’s nuclear programme has raised and the EU toughened up its stance. In the same month the 3 Foreign Ministers of Britain Jack Straw, of France Hubert Vedrine and of Germany Joschka Fisher started to be at the forefront in pursuing a diplomatic deal with Tehran and tried to remind Tehran that nuclear issues and trade talks were interdependent\textsuperscript{206}. Furthermore, on 16 June 2003, the Council, having taken note with concern of the report on implementation of the NPT safeguards agreement in Iran submitted by the Director General of IAEA, stressed the need for Iran to answer timely and adequately all questions raised regarding its nuclear programme and called it on to fully co-operate with the IAEA and conclude and implement urgently and unconditionally the IAEA Additional Protocol\textsuperscript{207}. The Council reconfirmed these conclusions one month later, on 21 July 2003\textsuperscript{208}.

In addition, Javier Solana visited Iran in August 2003 in order to put more pressure on Tehran. During his visit he also warned Iran for negative effects on EU-Iran relations if it failed to meet the IAEA demands\textsuperscript{209}. Inter alia he said: ‘\textit{Minister Kharazzi and I discussed the nuclear programme in some detail. This is an issue of increasing concern for us. The report presented recently by the Director General of the IAEA, Dr. El Baradei, raises a number of serious questions. It is important that Iran urgently clarifies those outstanding questions. Full cooperation and transparency with the IAEA are fundamental, now and in the future. Confidence is key. That is why we welcome the engagement made by the Iranian authorities to commence discussions on an additional protocol to tighten the inspection mechanisms. As I mentioned already a year ago, the signature and implementation of such a protocol would be a crucial factor in creating that confidence. We expect}

\textsuperscript{206} Daniela Manca, ‘Iran : A Test Case for EU Non-Proliferation Policy’ in \url{http://www.isis-europe.org/}, No. 20, December 2003, pp. 2-3.
\textsuperscript{207} See the Conclusions of the Council of 16/06/2003 in \url{http://europa.eu.int/comm/external_relations/iran/intro/gac.htm}.
\textsuperscript{208} See the Council Conclusions of 21/07/2003 in \url{http://europa.eu.int/comm/external_relations/iran/intro/gac.htm}.
\textsuperscript{209} Ibid.
to see rapid progress in the discussions with the IAEA. Only by taking such steps we will be able to avoid unwelcome effects on EU-Iran relations²¹⁰.

The Initiative of the ‘Big Three’

In September 2003, in spite of the criticism of the USA, Britain, France and Germany made a first concerted approach to Tehran offering in a joint letter, technical help to Iran’s civilian nuclear project in return for full cooperation and transparency with the IAEA²¹¹.

In October 2003, Britain, France and Germany continued their efforts and undertook a significant initiative concerning Iran’s nuclear programme. In particular, the foreign ministers of Britain, of France and of Germany visited Tehran to discuss its nuclear programme. That visit resulted in the signing of the Teheran Declaration, under which Iran agreed to sign the Additional Protocol of the IAEA and to suspend uranium enrichment²¹². The 3 European countries deserve a great deal of credit for their timely and skillful diplomacy. That is because they managed to transfer the message to Tehran that Europe would continue talks on a TCA if Iran first complied with all IAEA demands²¹³. In addition, the EU showed that when it is acting united, it can play an important role regarding foreign policy-making.

It should be also noted that the USA welcomed this initiative of Britain, France and Germany. US Secretary of State Colin Powell considered their efforts as ‘very, very helpful’²¹⁴.

From November 2003 to January 2004

However, in November 2001 the split between the USA and Europe over Iran’s nuclear programme widened²¹⁵. That is because the EU, unlike the USA, was more conciliatory about Iran’s efforts to

²¹² See Appendix II.
²¹⁵ Ibid.
comply with international inspections. For instance, Javier Solana said with reference to Iran’s nuclear programme that Tehran had been honest, while US Secretary of State Colin Powell was much more cautious on that issue. At the IAEA Board meeting on 20 November 2003, Washington promptly rejected a first draft drawn up by Britain, France and Germany, on the grounds that it was too loose.

On 9 December 2003, the Council expressed its full support for the IAEA resolution of 26 November and welcomed Iran's commitment to comply with its requirements and to implement the Additional Protocol. It also reiterated the EU's readiness to explore ways to develop wider political and economic cooperation with the Islamic Republic of Iran. In this way, at the beginning of 2004, EU High Representative for CFSP Javier Solana visited once more Tehran.

**Iran and the New European Security Strategy**

At that stage, it should be noted that EU policy towards Iran since June 2003, and especially the initiative of Britain, France and Germany in October of the same year, was based on its effort to pursue work on proliferation of WMD. Since April 2002, EU strategy against proliferation of WMD had been grounded on the Basic Principles, which stipulated that proliferation of WMD constituted a serious threat for international peace and security and demanded cooperation and common action for the tackling of that threat. However, in June 2003, the European Council in Thessaloniki went further and adopted a declaration on non-proliferation of WMD. This declaration made it clear that the EU could not ignore dangers as the proliferation of WMD and expressed its determination to

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216 Ibid.
217 Ibid.
219 See Appendix IV.
221 Ibid.
act on the grounds of multilateralism. So, Member States made the commitment, drawing on the Basic Principles, to further elaborate before the end of 2003 a coherent EU strategy to address the threat of proliferation and to continue to develop and implement the Action Plan adopted in June by the European Council in Thessaloniki as a matter of priority. This EU attempt is based on the new European Security Strategy, which was adopted by the European Council on 12 December 2003.

**EU-Iran ‘Human Rights Dialogue’**

Beyond the above mentioned issues, an important initiative that the EU undertook concerning its relations with Iran, was the beginning of a ‘Human Rights Dialogue’ with Iran. In particular, on 21 October 2002, EU Foreign Ministers agreed to establish and pursue a Human Rights dialogue with Iran. This human rights dialogue would take place without preconditions and without obliging the EU to abstain from tabling future UN resolutions. On 16-17 December 2002, the Troika meeting and the roundtable, which took place in Teheran, launched this Human Rights dialogue. The second and third rounds of the ‘Human Rights Dialogue’ took place in Brussels in March and October 2003 respectively.

The EU could not ignore issues such as the death penalty, public executions, torture – the violent death in custody of the photojournalist Zahra Kazemi is a characteristic example -, violation of the human rights of women and discrimination concerning minorities. With the ‘Human Rights’ Dialogue’ the EU aimed at putting pressure on the Government of Iran to promote the rule of law. So, it urged Tehran to cooperate with UN mechanisms as the UN Commission on Human Rights

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224 Ibid.
225 'EU Strategy against the Proliferation of Weapons of Mass Destruction’.
226 ‘Iran: A test Case for the EU Non-Proliferation Policy’, p. 3.

228 Ibid.
229 Ibid.
230 Ibid.
The EU also tried to convince the Government of Iran to speed up the process of reform of the system of administration of justice. In particular, the situation with regard to freedom of opinion and expression was a major importance, on the eve of the Parliamentary elections, which would take place in Iran in February 2004. On 13 October 2003, the Council called on Iran for rapid progress in this field, with regard to the arrests of students, journalists, who were peacefully expressing their beliefs.

It is certain that EU effort to begin a ‘Human Rights Dialogue’ with Iran is laudable. Despite its efforts the EU did not manage to contribute to the holding of free elections in Iran. In the Parliamentary elections, which took place in February 2004 in Iran, the conservatives swept to victory. In this way, Iran’s theocrats managed to regain control of the Majlis from the reformists. The EU’s foreign ministers put out a statement after the elections, expressing their deep regret that the ban on reformists candidates made a democratic choice for the Iranian population impossible.

The EU considered these elections as a setback for democracy and expressed the hope that Iran would return to the path of reform and democratisation.

APPRAISAL

The Impact of 11 September

At this stage, after the examination of the relations between the Islamic Republic of Iran, the USA and the EU after as well as before 11 September, the question that has to be answered concerns with the impact of these terrorist attacks on US and EU attitudes towards Iran. The conclusion that can be

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232 Ibid.
233 Ibid.
234 Ibid.
reached is that 11 September was not a turning point regarding US and EU foreign policy divergences over Iran. That is to say that although 11 September terrorist attacks were a crucial point for US foreign policy as its response to them showed, Washington’s policy towards Iran since then did not influence fundamentally the transatlantic controversy over that country. Comparing US and EU policy before and after 11 September, it becomes clear that the USA and the EU did not change their attitudes vis-à-vis Iran in the aftermath of these unprecedented terrorist attacks. US foreign policy based on isolation of Iran and EU approach based on critical dialogue continued to apply.

There are many scholars who agree that 11 September was not a decisive point revealing US and EU foreign policy differences. For instance, Claude Nigoul writes that 11 September could not be compared with the fall of the Berlin wall in 1989 and that the structure of the world - the way it is today- has been formed before these terrorist attacks. In addition, Annette Jünemann points out that 11 September has not changed everything. So, on the basis that US/EU foreign policies over Iran can be placed within the framework of transatlantic divergences before 11 September, is it essential to take into account these terrorist attacks when analysing them? What can be argued about 11 September, is that it ‘enhanced processes that were already under way’. That is to say that although 11 September terrorist attacks did not play a crucial role concerning US and EU foreign policy differences, since then, these differences have been highlighted. The urgent need to cope with international terrorism brought US and EU different approaches to the surface. Following 11 September terrorist attacks, US-EU disagreement with reference to the promotion of their values – since they mainly share the main values as the rule of law and democracy self-determination-became more clear than ever.

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239 Ibid.
Robert Kagan, commenting on that issue, writes that the question of power is the key point of US-EU policy divergences. An he explains: ‘Europe is turning away from power, or to put it a little differently, it is moving beyond power into a self-contained world of laws and rules and transnational negotiation and cooperation’. It is entering a post-historical paradise of peace and relative prosperity, the realisation of Immanuel Kant’s perpetual peace. Meanwhile, the USA remains mirred in history, exercising power in an anarchic Hobbesian world where international laws and rules are unreliable, and where true security and the defence and promotion of a liberal order still depend on the possession and use of military might. That is why on major strategic and international questions today, Americans are from Mars and European are from Venus’. Robert Kagan’s argument can be grounded on the fact that the USA, who is nowadays powerful, behaves as powerful nations do, while the ‘European great powers see the world through the eyes of weaker powers’. Especially Gulf War II, changed the way the transatlantic question is posed in Europe from ‘how to resolve US-EU conflicts’ to ‘how should we deal with American power?’.

The Iran case is a characteristic example of what Kagan writes, and in the final account, of US-EU divergences after 11 September. While even before 11 September there was disagreement between the USA and the EU on their policies towards Iran, it was highlighted after George W. Bush’s ‘Axis of Evil Speech’, when the USA started to threaten Iran and the EU was clearly opposed to the use of violence.

242 Ibid, p. 3.
243 Ibid, p. 3.
244 Ibid, p. 3.
245 Ibid, p. 3.
246 Ibid., p. 11.
247 Ibid.
Effectiveness of US and EU Policies

At that point, another question concerns with the effectiveness of US and EU policies towards Iran. It is true that the USA seems like a ‘bad cop’in its relations with Iran. However, does it play the role of both bad and smart cop\(^{248}\)? The answer is not positive. That is because US policy towards Iran appears aiming more at punishment than at ending problematic behaviour\(^{249}\). On these grounds many of Tehran’s dangerous policies have been advanced by a hardline faction that is determined to block the effort of the reformists to democratise the country\(^ {250}\).

In particular, US policy of isolation vis-à-vis Iran did not yield any positive results over the last years. The ‘dual containment’ policy which was based on Iran’s economic and political isolation neither did achieve its goal nor did it make the Gulf region more stable and secure. Furthermore, the rhetoric of regime change in Iran is certainly debatable\(^ {251}\). That is because the idea of attempting to negotiate with a regime, and simultaneously, of propagating its end, does not seem to be promising, at least for the time being\(^ {252}\).

As concerns EU foreign policy towards Iran, there are some signs of success. Daniel Brumberg wrote in 2002 that there was reluctance in some Europe to deal with the security challenges that emanated from Iran\(^ {253}\). Although he was completely right at that time, the EU changed its attitude and it definitely contributed to the signing of the Additional Protocol of the IAEA in December 2003. However, it is true that the EU does not focus on the issue of Iran’s support of terrorism, at least to the extent that the USA do. For example, the EU has not listed Hezbollah for asset freezing. This matter does not satisfy Washington, which asks Europe to concentrate more on Iran’s support of terrorism, especially regarding the Arab-Israeli conflict.

\(^{248}\) Brumberg, ‘Dilemmas of Western Policies Towards Iran’, p. 70.
\(^{250}\) Ibid, p. 150.
\(^{251}\) Reissner, ‘The Need for a Coherent, Comprehensive and Cooperative Approach to Iran’, p. 86.
\(^{252}\) Ibid, p. 86.
\(^{253}\) Brumberg, ‘Dilemmas of Western Policies towards Iran’, p. 70.
As long as the EU is using the diplomatic and economic stick in order to put pressure on Tehran to change its political behaviour, it can play a significant role. That does not mean that EU policy towards Iran is particularly successful, since the main problems of Tehran’s political behaviour remain. Nevertheless, unlike in other crises and issues, the EU is working correctly concerning its relations with Iran. Johannes Reissner also argues that EU foreign policy towards Iran is dependent on US – Iran relations²⁵⁴. And he is completely right. Also this project has been written on the basis of US-Iran relations and EU response to them. The EU should not compete but complement US policy towards Iran. However, that does not mean that the EU has to be America’s ‘little brother’ because, in this way, it will be discredited in the eyes of the Iranians²⁵⁵. So, the EU should make its policy of engagement more explicit in order to give Iranians the feeling of being accepted politically and economically²⁵⁶.

What should be pointed out- since this paper was written approximately one year after the U.S. War on Iraq broke out – is that the US approach of using violence in world affairs does not seem to produce positive results. That is particularly important, taking into account that Iran seems as the next target for a US attack after the War on Iraq. Although more time is required for the assessment of the results of Gulf War II, the perspectives for the future are not optimistic for the time being. Stability in Iraq and the Middle East has not been achieved, exportation of democracy in a domino effect does not seem easy, while terrorism is on the rise not only in Iraq and the Middle East but also in other parts of the world with Europe being the last victim after the terrorist attacks in Madrid in March 2004.

As was mentioned above, it is very early to judge US policy based on the use of violence as unsuccessful. As an example, it can be argued that the US fight against communism lasted for almost half a century but following the fall of the Berlin Wall people in Eastern and Central Europe started to enjoy the principles of democracy and freedom. And it is not the purpose of this project to

²⁵⁴ Reissner, ‘Europas Beziehungen zu Iran’, p. 53.
²⁵⁶ Ibid, p. 87.
defend or blame US and EU policies vis-a-vis Iran. What is important and has to be written down is that foreign policy issues, such as the Iran issue, require cooperation and common action not only between the USA and the EU but also Russia, Japan and others. In this case, the chances for positive results might be better. Even if violence has to be used, in the case of Iran for instance, that should be based on international law. Gulf War II demonstrated that the structure of the world is unipolar and not multipolar. Michael Glennon observes correctly that after US invasion in Iraq ‘all who believe to the rule of law were eager to see the great caravan of humanity resume its march’.

Multilateralism is not only important in terms of idealism, of moral values and legal norms. It is also significant in terms of realism and of US foreign policy goals. Dean of Harvard’s Keenedy School of Government Joseph Nye comments that the unilateralists in the USA should not focus too heavily on US military strength alone. Although the military power of the USA is a critical part in the war against terror, it is not enough to obtain the outcomes it wants. That is because, as Nye explains, the agenda of world politics seems like a ‘three-dimensional chess game in which one can win only by playing vertically as well as horizontally’. There is no doubt that on the top board of classical interstate military issues the USA have superiority and can act unilaterally. Nevertheless, concerning the middle board of interstate economic issues such as trade and financial regulation, power is distributed multilaterally and the USA need the assistance of other powers like the EU to succeed in its goals.

What Joseph Nye argues can and should apply in the case of Iran. It is certain that the Iran issue might be better treated in a multilateral way. Even the Republican Henry Kissinger writes that ‘a major effort should be made to achieve a transatlantic consensus that relates diplomacy to reasonable pressures and agreed diplomatic overtures vis-à-vis Iran’. And he adds that ‘only by

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259 Ibid, p. 65.
261 Ibid, p. 65.
262 Ibid, p. 65.
263 Kissinger, Does America Need a Foreign Policy?, p. 200.
a firm, consistent, and conciliatory policy can the day be hastened when Iran will be prepared to take the concrete policy actions, which represent the only reliable basis for a long-term cooperative relationship.”

The Factor of the Islamic Republic of Iran

It is easy to comment on US and EU foreign policies towards Iran, to explain their differences, to dedicate many pages on their advantages and disadvantages and to attempt to find out if the one or the other way could be more effective in approaching that country. Nevertheless, an important question concerns with the nature of the Islamic Republic of Iran: Does the Islamic Republic want to cooperate with the USA and the EU in the important issues of terrorism, the Middle East peace process, WMD and human rights? If the answer is yes, then a discussion about US and EU foreign policy advantages and disadvantages is worthwhile. If the answer is no, the approach of both the USA and the EU might be ineffective in the best case but it might also reinforce Iran’s intransigence in the worst case.

It is true that Iran does not seem to cooperate fully and unconditionally. A comparison with the Iraq case is inevitable. Many blame the USA because it invaded Iraq without UN mandate. But is anyone asking if Saddam cooperated with the international community? If he sought to cooperate, why did he expell the UN inspectors in 1998? And why did he not fully cooperate with the UN inspectors in the previous months before Gulf War II? The same questions suit to the Iran case. The USA and the EU deal with Iran’s nuclear activities, its support for terrorism and the human rights situation there. Why does not Iran take a clear position regarding its nuclear programme, and so, there are many doubts about it? Why does it not change its attitude regarding its support for terrorist organisations as Hezbollah? Why does it not try to show progress in the human rights area?

There is no question that the reformists in Iran support the rapprochement of Tehran with the West, and especially with Washington. But are they able to do so, when Iran’s hardline clerics block any reconciliation with the USA? With reference to the reform process of Iran, it seems that the reformists are not able to change the structure of the Islamic Republic and that Islamic radicalism is more likely to prevail in domestic and foreign affairs of Iran. Especially, after the Parliamentary elections of February 2004, the question that raises concerns with the real chances that exist for a reform process in Iran. The population of Iran wants reforms changes to be made in the country. A poll showed that 90% of the population of Iran is not satisfied with the Islamic Republic, 66.2% want radical changes, and 49% does not feel safe concerning individual and social rights\(^{265}\). Nevertheless, the power struggle between the reformists and the theocrats turns in favour of the second. Even before the elections of February 2004, when the Parliament was under control of the reformers, the Council of Guardians blocked the laws that the reformists tried to pass. And now, the conservatives gained control of the Parliament as well!

Although the reformists make efforts, the result remains the same either because it stems from Iran’s unwillingness or from incapacity of its government. That is that Iran does not seem to cooperate to the extent which is required by the international community. The fact that Iran signed the Additional Protocol of the IAEA is a step to the right direction but it is not sufficient. Colonel of Libya Qadhaffi, for example, who sought cooperation with the West after Gulf War II, has made important unilateral gestures since December 2003. Iran should perhaps follow the way of Libya.

On the other hand, the fact that the vast majority of Iran people support economic and political reform in the country is certainly a positive sign. As George W. Bush said: ‘There is a long history of friendship between the American people and the people of Iran. As Iran’s people move towards a future defined by greater freedom, greater tolerance, they will have no better friend than the USA\(^{266}\).

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CONCLUSION

The final part of this thesis will be based neither on a further analysis of US and EU relations with the Islamic Republic of Iran nor on a review of what has been already written in previous chapters. Its content will be more emotional.

It is certain that the Iran issue is of increased importance not only for the USA and the EU but for the whole mankind, especially nowadays, in the new era of terrorism and of the fight against it. Predictions for the future are not easy to be made. Nevertheless, it is true that the new Millenium has not set out under favourable auspices in terms of peace maintenance in the world. Four years after its beginning, two wars have already broken out while questions, concerns and fears about the next war, which will break out, multiply.

Mohamed El-Baradei, in an interview he gave in February 2004 was not optimistic about the future of the mankind. What he said was that a nuclear war is not far from becoming a tangible reality\(^267\). A wish is perhaps the best way for this project to be finished. May the Iran case not lead to such a disaster...

\(^{267}\) Ein Atomkrieg rückt näher’, Der Spiegel, 05/02/2002.
APPENDIX

I. Map of Iran

(Source: http://www.lib.utexas.edu/maps/iran.html)
II. UN Security Council Resolution 1373

‘The Security Council,


Reaffirming also its unequivocal condemnation of the terrorist attacks which took place in New York, Washington, D.C., and Pennsylvania on 11 September 2001, and expressing its determination to prevent all such acts,

Reaffirming further that such acts, like any act of international terrorism, constitute a threat to international peace and security,

Reaffirming the inherent right of individual or collective self-defence as recognized by the Charter of the United Nations as reiterated in resolution 1368 (2001),

Reaffirming the need to combat by all means, in accordance with the Charter of the United Nations, threats to international peace and security caused by terrorist acts,

Deeply concerned by the increase, in various regions of the world, of acts of terrorism motivated by intolerance or extremism,

Calling on States to work together urgently to prevent and suppress terrorist acts, including through increased cooperation and full implementation of the relevant international conventions relating to terrorism,

Recognizing the need for States to complement international cooperation by taking additional measures to prevent and suppress, in their territories through all lawful means, the financing and preparation of any acts of terrorism,

Reaffirming the principle established by the General Assembly in its declaration of October 1970 (resolution 2625 (XXV)) and reiterated by the Security Council in its resolution 1189 (1998) of 13 August 1998, namely that every State has the duty to refrain from organizing, instigating, assisting or participating in terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts,

Acting under Chapter VII of the Charter of the United Nations,

1. Decides that all States shall:

(a) Prevent and suppress the financing of terrorist acts;

(b) Criminalize the wilful provision or collection, by any means, directly or indirectly, of funds by their nationals or in their territories with the intention that the funds should be used, or in the knowledge that they are to be used, in order to carry out terrorist acts;

(c) Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled...
directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities;

(d) Prohibit their nationals or any persons and entities within their territories from making any funds, financial assets or economic resources or financial or other related services available, directly or indirectly, for the benefit of persons who commit or attempt to commit or facilitate or participate in the commission of terrorist acts, of entities owned or controlled, directly or indirectly, by such persons and of persons and entities acting on behalf of or at the direction of such persons;

2. Decides also that all States shall:

(a) Refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts, including by suppressing recruitment of members of terrorist groups and eliminating the supply of weapons to terrorists;

(b) Take the necessary steps to prevent the commission of terrorist acts, including by provision of early warning to other States by exchange of information;

(c) Deny safe haven to those who finance, plan, support, or commit terrorist acts, or provide safe havens;

(d) Prevent those who finance, plan, facilitate or commit terrorist acts from using their respective territories for those purposes against other States or their citizens;

(e) Ensure that any person who participates in the financing, planning, preparation or perpetration of terrorist acts or in supporting terrorist acts is brought to justice and ensure that, in addition to any other measures against them, such terrorist acts are established as serious criminal offences in domestic laws and regulations and that the punishment duly reflects the seriousness of such terrorist acts;

(f) Afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of terrorist acts, including assistance in obtaining evidence in their possession necessary for the proceedings;

(g) Prevent the movement of terrorists or terrorist groups by effective border controls and controls on issuance of identity papers and travel documents, and through measures for preventing counterfeiting, forgery or fraudulent use of identity papers and travel documents;

3. Calls upon all States to:
(a) Find ways of intensifying and accelerating the exchange of operational information, especially regarding actions or movements of terrorist persons or networks; forged or falsified travel documents; traffic in arms, explosives or sensitive materials; use of communications technologies by terrorist groups; and the threat posed by the possession of weapons of mass destruction by terrorist groups;

(b) Exchange information in accordance with international and domestic law and cooperate on administrative and judicial matters to prevent the commission of terrorist acts;

(c) Cooperate, particularly through bilateral and multilateral arrangements and agreements, to prevent and suppress terrorist attacks and take action against perpetrators of such acts;

(d) Become parties as soon as possible to the relevant international conventions and protocols relating to terrorism, including the International Convention for the Suppression of the Financing of Terrorism of 9 December 1999;

(e) Increase cooperation and fully implement the relevant international conventions and protocols relating to terrorism and Security Council resolutions 1269 (1999) and 1368 (2001);

(f) Take appropriate measures in conformity with the relevant provisions of national and international law, including international standards of human rights, before granting refugee status, for the purpose of ensuring that the asylum seeker has not planned, facilitated or participated in the commission of terrorist acts;

(g) Ensure, in conformity with international law, that refugee status is not abused by the perpetrators, organizers or facilitators of terrorist acts, and that claims of political motivation are not recognized as grounds for refusing requests for the extradition of alleged terrorists;

4. Notes with concern the close connection between international terrorism and transnational organized crime, illicit drugs, money-laundering, illegal arms-trafficking, and illegal movement of nuclear, chemical, biological and other potentially deadly materials, and in this regard emphasizes the need to enhance coordination of efforts on national, subregional, regional and international levels in order to strengthen a global response to this serious challenge and threat to international security;

5. Declares that acts, methods, and practices of terrorism are contrary to the purposes and principles of the United Nations and that knowingly financing, planning and inciting terrorist acts are also contrary to the purposes and principles of the United Nations;

6. Decides to establish, in accordance with rule 28 of its provisional rules of procedure, a Committee of the Security Council, consisting of all the members of the Council, to monitor implementation of this resolution, with the assistance
of appropriate expertise, and calls upon all States to report to the Committee, no later than 90 days from the date of adoption of this resolution and thereafter according to a timetable to be proposed by the Committee, on the steps they have taken to implement this resolution;

7. Directs the Committee to delineate its tasks, submit a work programme within 30 days of the adoption of this resolution, and to consider the support it requires, in consultation with the Secretary-General;

8. Expresses its determination to take all necessary steps in order to ensure the full implementation of this resolution, in accordance with its responsibilities under the Charter;

9. Decides to remain seized of this matter.

(Source:https://www.un.org/News/Press/docs/2001/sc7158.doc.htm)
III. Iran Declaration, 21 October 2003

Upon the invitation of the Government of the Islamic Republic of Iran the foreign ministers of Britain, France and Germany paid a visit to Tehran on October 21, 2003.

The Iranian authorities and the ministers, following extensive consultations, agreed on measures aimed at the settlement of all outstanding IAEA [International Atomic Energy Agency] issues with regards to the Iranian nuclear programme and at enhancing confidence for peaceful cooperation in the nuclear field.

2. The Iranian authorities reaffirmed that nuclear weapons have no place in Iran's defence doctrine and that its nuclear programme and activities have been exclusively in the peaceful domain. They reiterated Iran's commitment to the nuclear non-proliferation regime and informed the ministers that:

a) The Iranian Government has decided to engage in full co-operation with the IAEA to address and resolve through full transparency all requirements and outstanding issues of the agency and clarify and correct any possible failures and deficiencies within the IAEA.

b) To promote confidence with a view to removing existing barriers for co-operation in the nuclear field:

i) Having received the necessary clarifications, the Iranian Government has decided to sign the IAEA Additional Protocol and commence ratification procedures. As a confirmation of its good intentions the Iranian Government will continue to co-operate with the agency in accordance with the protocol in advance of its ratification

ii) while Iran has a right within the nuclear non-proliferation regime to develop nuclear energy for peaceful purposes it has decided voluntarily to suspend all uranium enrichment and processing activities as defined by the IAEA.

3. The foreign ministers of Britain, France and Germany welcomed the decisions of the Iranian Government and informed the Iranian authorities that:

a) Their governments recognise the right of Iran to enjoy peaceful use of nuclear energy in accordance with the nuclear Non-Proliferation Treaty.

b) In their view the Additional Protocol is in no way intended to undermine the sovereignty, national dignity or national security of its state parties.

c) In their view full implementation of Iran's decisions, confirmed by the IAEA's director general, should enable the immediate situation to be resolved by the IAEA board.

d) The three governments believe that this will open the way to a dialogue on a basis for longer term co-operation which will provide all parties with satisfactory assurances relating to Iran's nuclear power generation programme. Once international concerns, including those of the three governments, are fully resolved Iran could expect easier access to modern technology and supplies in a range of areas.
e) They will co-operate with Iran to promote security and stability in the region including the establishment of a zone free from weapons of mass destruction in the Middle East in accordance with the objectives of the United Nations.

(Source: http://news.bbc.co.uk/2/hi/middle_east/3211036.stm)
IV. IAEA Resolution, 26 November 2003

The Board of Governors,

(a) Recalling the Resolution adopted by the Board on 12 September 2003 (GOV/2003/69), in which the Board, inter alia:
- expressed concern over failures by the Islamic Republic of Iran to report material, facilities and activities that Iran is obliged to report pursuant to its Safeguards Agreement;
- decided it was essential and urgent, in order to ensure IAEA verification of non-diversion of nuclear material, that Iran remedy all failures identified by the Agency and cooperate fully with the Agency by taking all necessary actions by the end of October 2003;
- requested Iran to work with the Secretariat to promptly and unconditionally sign, ratify and fully implement the Additional Protocol, and, as a confidence-building measure, to act thenceforth in accordance with the Additional Protocol; and
- called on Iran to suspend all further uranium enrichment-related activities, including the further introduction of nuclear material into Natanz, and any reprocessing activities,

(b) Welcoming the Agreed Statement between the Foreign Ministers of France, Germany and the United Kingdom and the Secretary of the Iranian Supreme National Security Council issued in Tehran on 21 October,

(c) Noting with appreciation the Director General’s report of 10 November 2003 (GOV/2003/75), on the implementation of safeguards in Iran,

(d) Commending the Director General and the Secretariat for their professional and impartial efforts to implement the Safeguards Agreement with Iran and to resolve all outstanding safeguards issues in Iran, in pursuance of the Agency’s mandate and of the implementation, inter alia, of the Resolution adopted by the Board on 12 September 2003 (GOV/2003/69),

(e) Acknowledging that Vice-President Aghazadeh of the Islamic Republic of Iran has reaffirmed his country’s decision to provide a full picture of its nuclear activities and has also reaffirmed his country’s decision to implement a policy of cooperation and full transparency,

(f) Noting with deep concern that Iran has failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material, and its processing and use, as well as the declaration of facilities where such material has been processed and stored, as set out in paragraph 48 of the Director General’s report,
(g) Noting in particular, with the gravest concern, that Iran enriched uranium and separated plutonium in undeclared facilities, in the absence of IAEA safeguards,

(h) Noting also, with equal concern, that there has been in the past a pattern of concealment resulting in breaches of safeguard obligations and that the new information disclosed by Iran and reported by the Director General includes much more that is contradictory to information previously provided by Iran,

(i) Noting that the Director General, in his opening statement, indicated that Iran has begun cooperating more actively with the IAEA and has given assurances that it is committed to a policy of full disclosure,

(j) Recognising that, in addition to the corrective actions already taken, Iran has undertaken to present all nuclear material for Agency verification during its forthcoming inspections,

(k) Emphasising that, in order to restore confidence, Iranian cooperation and transparency will need to be complete and sustained so that the Agency can resolve all outstanding issues and, over time, provide and maintain the assurances required by Member States,

(l) Noting with satisfaction that Iran has indicated that it is prepared to sign the Additional Protocol, and that, pending its entry into force, Iran will act in accordance with the provisions of that Protocol,

(m) Noting that the Director General, in his opening statement, reported that Iran has decided to suspend enrichment-related and reprocessing activities,

(n) Stressing that the voluntary suspension by Iran of all its uranium enrichment-related activities and reprocessing activities remains of key importance to rebuilding international confidence,

(o) Recognising the inalienable right of States to the development and practical application of atomic energy for peaceful purposes, including the production of electric power, with due consideration for the needs of developing countries,

(p) Stressing the need for effective safeguards in order to prevent the use of nuclear material for prohibited purposes in contravention of safeguards agreements, and underlining the vital importance of effective safeguards for facilitating cooperation in the field of peaceful uses of nuclear energy,

1. **Welcomes** Iran’s offer of active cooperation and openness and its positive response to the demands of the Board in the resolution adopted by Governors on 12 September 2003 (GOV/2003/69) and underlines that, in proceeding, the Board considers it essential that the declarations that have now been made by Iran amount to the correct, complete and final picture of Iran’s past and present nuclear programme, to be verified by the Agency;

2. **Strongly deplores** Iran’s past failures and breaches of its obligation to comply with the provisions of its Safeguards Agreement, as reported by the Director General; and urges Iran to adhere strictly to its obligations under its Safeguards Agreement in both letter and spirit;
3. *Notes* the statement by the Director General that Iran has taken the specific actions deemed essential and urgent and requested of it in paragraph 4 of the Resolution adopted by the Board on 12 September 2003 (GOV/2003/69);

4. *Requests* the Director General to take all steps necessary to confirm that the information provided by Iran on its past and present nuclear activities is correct and complete as well as to resolve such issues as remain outstanding;

5. *Endorses* the view of the Director General that, to achieve this, the Agency must have a particularly robust verification system in place: an Additional Protocol, coupled with a policy of full transparency and openness on the part of Iran, is indispensable;

6. *Reiterates* that the urgent, full and close co-operation with the Agency of all third countries is essential in the clarification of outstanding questions concerning Iran’s nuclear programme;

7. *Calls on* Iran to undertake and complete the taking of all necessary corrective measures on an urgent basis, to sustain full cooperation with the Agency in implementing Iran’s commitment to full disclosure and unrestricted access, and thus to provide the transparency and openness that are indispensable for the Agency to complete the considerable work necessary to provide and maintain the assurances required by Member States;

8. *Decides* that, should any further serious Iranian failures come to light, the Board of Governors would meet immediately to consider, in the light of the circumstances and of advice from the Director General, all options at its disposal, in accordance with the IAEA Statute and Iran’s Safeguards Agreement;

9. *Notes* with satisfaction the decision of Iran to conclude an Additional Protocol to its Safeguards Agreement, and re-emphasises the importance of Iran moving swiftly to ratification and also of Iran acting as if the Protocol were in force in the interim, including by making all declarations required within the required timeframe;

10. *Welcomes* Iran’s decision voluntarily to suspend all enrichment-related and reprocessing activities and requests Iran to adhere to it, in a complete and verifiable manner; and also endorses the Director General’s acceptance of Iran’s invitation to verify implementation of that decision and report thereon;

11. *Requests* the Director General to submit a comprehensive report on the implementation of this Resolution by mid-February 2004, for consideration by the March Board of Governors, or to report earlier if appropriate; and

12. *Decides* to remain seized of the matter.
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