

## Building Trust and Flexibility: A Brazilian View of the Fuel Swap with Iran

In May 2010, Brazil and Turkey—then non-permanent members of the UN Security Council—ventured into uncharted waters by brokering an agreement to deal with the controversial Iranian nuclear program. Iran, in order to show its willingness to use its nuclear material for peaceful purposes, agreed to have its uranium enriched outside its territory, specifically in Turkey. The deal called for Iran to send 1,200 kilograms of 3.5 percent-enriched uranium to Turkey in exchange for 20 percent-enriched nuclear fuel to use in a scientific reactor in Tehran that produces medical isotopes. Although a nuclear weapon might require uranium enriched to a higher level, the 20 percent-enriched material could help Iran achieve that level quicker.

The United States specifically criticized the agreement because it did not address the continued production of uranium enriched to 20 percent inside Iranian territory (other members of the Security Council also criticized the agreement, but the United States was the most vocal). At the time the deal was announced, the international community was also working on a sanctions package to pressure Iran to suspend its enrichment activities and increase the transparency of its nuclear program. In fact, the day after the announcement, the permanent members of the Security Council forwarded a draft resolution for sanctions on Iran to the other members.<sup>1</sup> The push for sanctions persisted even though Iran had ignored previous resolutions from 2006–2008, and other diplomatic initiatives had also failed.

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Given Iran's intransigence, Brasilia and Ankara considered the agreement, announced at the end of the G-15 summit meeting in Tehran, as a potential breakthrough, but the initiative was not universally well received worldwide. Although China timidly welcomed the deal as a step in the direction of a peaceful solution, Russia rejected any link between the deal and the sanctions resolution against Iran. France complained about the lack of progress in the swap deal on fundamental issues, such as the interruption of continued enrichment activity on Iranian territory and the increase of transparency, for the international community; and the United States, which has regarded Iran's nuclear program with suspicion since the 1980s, thought that Iran was trying to buy time and break international unity by making only marginal concessions.

Within Brazil, the reaction to the agreement was actually quite diverse. Although Brasilia highlighted the need for Tehran to be more transparent, it argued that Iran—a signatory of the Nuclear Non-Proliferation Treaty (NPT)—had the right to produce nuclear energy for peaceful purposes and that no country should intervene in the domestic affairs of other sovereign states when those states meet their obligations under international agreements. Many Brazilian decisionmakers and some sectors of the country's strategic community feared that international actions against Iran might create a precedent for the imposition of specific measures on weaker states. Those actors believed it was necessary to make interference more difficult politically, especially to impose measures which would deny Iran the right to enrich nuclear material for peaceful purposes. Others added that sanctions would only impact the timing of Iran's ability to produce a weapon, not prevent the country's nuclear ambitions.<sup>2</sup>

On the other hand, some Brazilian congressmen and interest groups shared the concerns of other international authorities and organizations. They highlighted the mismatch between the characteristics of Iran's nuclear program and its supposed peaceful purposes as well as the suitability of its facilities for making nuclear weapons. Many of those critics said that, although Iran might not have nuclear weapons now, it had developed both the capacity to enrich uranium and the financial as well as human resources to produce such weapons, and criticized Brasilia for not doing anything in the agreement to prevent nuclear weaponization.

In the end, Brazil's diplomacy in the negotiations of the fuel-swap agreement was intended not only to avoid international sanctions, which would damage Brazilian commercial interests with Iran, but also to consolidate Brazil's position as a strong player in resolving disputes in order to raise its status in the eyes of the international community. Throughout its global nonproliferation policy, including the 2010 agreement with Iran, Brasilia continues to seek to defend the

autonomy and sovereignty of non-nuclear weapon states and consolidate their right to develop peaceful nuclear activities.

### **Brazil's Role in the Negotiations**

In 2009, when Iran announced it would have to produce nuclear fuel for its isotope production reactor, many countries wanted to prevent the development of its enrichment capacity, because that could lead to an Iran capable of producing nuclear weapons. At that time, the Vienna Group—France, Russia, the United States, and the International Atomic Energy Agency (IAEA)—proposed that almost 1,200 kilograms of Iranian low-enriched uranium (LEU) be further enriched in Russia and then manufactured into fuel in French reactors.

Tehran feared that Western powers would find excuses not to return the fuel. The United States and France saw this decision as a strategy to blame the Vienna Group for the failure of the initiative.<sup>3</sup> In February 2010, Iran started producing 20 percent-enriched uranium required for its reactor. Since then, it has doubled its LEU stockpile and the Vienna Group remains concerned about domestic production of 20 percent-enriched uranium, especially after Iran announced that it would build another medical research reactor operating on that fuel to produce isotopes for consumption domestically and by its Islamic neighbors.<sup>4</sup>

Although many great powers said that the fuel-swap agreement brokered by Brazil and Turkey would not be able to prevent Iranian enrichment or eliminate concerns regarding the Iranian nuclear program, it at least represented a starting point and a confidence-building measure from which to build after five years of failed negotiations with Iran. Just after a similar 2009 proposal by the Vienna Group had failed, only a few members of the UN Security Council were optimistic about the ability of then-Brazilian president Luiz Inácio Lula da Silva and Turkish Prime Minister Recep Tayyip Erdogan to reach an agreement with Iranian President Mahmoud Ahmadinejad.<sup>5</sup> While tension and mistrust characterized Iran's relations with the permanent UN Security Council members, Iran showed more comfort in working with emerging countries and strengthening its ties with two important intermediate nations.<sup>6</sup>

Although Iran was still skeptical about Turkish actions, it recognized Ankara's growing independence from Washington and its desire to prevent new sanctions. Brazil was an unlikely partner given its low direct participation in political affairs in the Middle East, but—if some of the most important objectives of contemporary Brazilian foreign policy are taken into account—the country's

**Brasilia continues to seek to defend the right to develop peaceful nuclear activities.**

brokering role in the agreement with Iran should be no surprise. For one thing, Brazil wants a permanent seat on the UN Security Council, and its ability to negotiate and present political results in settling international disagreements would be an important prerequisite.

Second, Brasilia also thinks that institutions reflect asymmetries in the distribution of power in the international system. In the opinion of Brazilian decisionmakers, those institutions do not recognize rising powers and should not be used by great powers as political tools to limit the sovereign rights of developing countries, including the right to produce nuclear energy for peaceful purposes. Brazil endorsed Iran's right to enrich uranium—something Brazil itself achieved, despite international opposition at the time (in 1987, Brazil announced that it had developed the technology for uranium enrichment by ultracentrifugation).

Third, Brazil wanted to avoid sanctions against Iran in order to protect new commercial opportunities for its companies, especially those which deal with oil exploration and providing ethanol.

Finally, beyond its economic interests in Iran, Brazil wanted to defend the rights of the periphery as a way to strengthen its leadership in the developing world and consolidate its prestige and reputation as a global player.

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In Brazil's strategy, the key to getting Iranian acceptance of the fuel-swap deal can be summarized in one word: flexibility. The agreement brokered by Brazil and Turkey did not address interrupting Iranian production of uranium enriched to 20 percent, which is an important issue for the Western powers. Also, according to the text of the 2010 agreement, Iranian authorities could ask for the return of its LEU if the provisions of the declaration were

“not respected.” The main problem, according to the Western powers, is that the situations considered as violations are not defined in detail, which means that Iran could request the return of its LEU for any reason, at any time. In practice, the deal does not change the essentials of Iran's nuclear program.<sup>7</sup> Brazil's foreign minister, Celso Amorim, summarized the suspicion that the great powers considered the agreement ineffective simply because “the fact that Brazil and Turkey ventured into a subject that would be typically handled by the P5+1 (the five permanent members of the Security Council plus Germany)—and, more importantly, were successful in doing so—disturbed the status quo.”<sup>8</sup>

Some commentators argued that if Brazil really wanted to be a member of the elite club of “responsible” and “world-order supporting” states, it should not “poke the U.S. in the eye.”<sup>9</sup> Brazil knew U.S. President Barack Obama's position

on the Iranian situation and was very careful not to aggravate its relations with the United States or damage Brazil's international profile. In his letter to Lula in April 2010, Obama explained that he had considered the opportunity to create a constructive diplomatic dialogue, but he believed Iran was pursuing a strategy that created the impression of flexibility without agreeing to actions that would begin the construction of mutual trust. Obama says in the letter that "We have observed Iran convey hints of flexibility to you and others, but formally reiterate an unacceptable position through official channels to the IAEA. Iran has continued to reject the IAEA's proposal and insist that Iran retain its low-enriched uranium on its territory until delivery of nuclear fuel."<sup>10</sup> Besides, Obama argued, there would be no guarantee that Iran would ultimately agree to the final exchange, and the IAEA could not prevent Iran from reassuming control of its uranium.

Given that Iran had disregarded previous initiatives, Obama questioned if Iran was prepared to engage Brazil in good faith. If a constructive diplomatic process were built, Iran would have to convey to the IAEA a commitment to engagement through official channels, something it had not done. Brazil said that it took U.S. concerns into consideration and was trying to pave the way for continued peace and stability in a gradual way. Nevertheless, this meant that all U.S. concerns would not be solved immediately and Iran's sovereign rights to use nuclear energy for peaceful purposes would have to be respected, but the perspective for mutual understanding and more transparency was being developed.

When the agreement was finally signed, the critiques, both domestic and international, of Brazil's policies toward Iran sharpened strongly. The removal of LEU could limit Iran's weapons-usable material, but it would not create more transparency about Iran's secret activities. It also would not solve problems such as Iran's failure to cooperate with the IAEA or to acquiesce to UN pressure to stop enrichment. The deal had limited importance from the U.S. perspective because an appropriate strategy for after the deal was not developed. Given that these concerns were not resolved, many great powers decided that there was no reason to abandon discussions for more UN sanctions against Iran.<sup>11</sup> Brazil and Turkey saw new sanctions as counterproductive to diplomatic negotiations and voted against them, but 12 members of the Security Council were concerned enough about the proliferation risks posed by Iran and its non-cooperation with the IAEA to vote for the sanctions.

The fuel-swap deal might not have been the ideal agreement the P5+1 wanted Iran to sign, but, in the words of Brazilian Foreign Minister Amorim, "the Tehran declaration can be used as a basis for a peaceful negotiated solution."<sup>12</sup> He reiterated that the deal was never imagined to solve all the problems with the Iranian program, but had been conceived as a trust-building

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measure intended to facilitate more discussion.<sup>13</sup> As Brasilia lacks the political and military resources to impose its will, it avoids connotations of domination and indicates its preference for policies shaped by consensus and dialogue, reminding partners such as Iran of previous deals and promoting debate on proposals. In a subtle way, Brazil tries to frame the structure of the dialogue and quietly shape discussions.<sup>14</sup>

Many Brazilian authorities were very disappointed when the United States rejected the deal, because it initially

supported Brazil's involvement before voicing ambiguous objections at the end. Brasilia had very positive perceptions of U.S. and EU views of the ongoing talks before the agreement was reached. Those powers gave indications that they saw Brazilian leaders were trying to urge Iranian authorities to negotiate a balanced solution. U.S. and EU officials hoped that Brazil could also raise some of their concerns in its talks with Iranian leaders. Catherine Ashton, the EU's foreign policy representative, said that "Brazil is a global power that can play a key role." However, the ideal commitment those powers imagined was not reached exactly the way they wanted. Though Brazil is not always completely successful, the reaction to agreements such as the fuel-swap deal demonstrates that Brazilian leaders could gain both domestic political benefits and praise in the developing world from a global brokering role.

### **The Repercussions**

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Some leaders and authorities in African, Asian, and Latin American developing countries welcomed Brazil's standing in the negotiations with Iran, along with Turkey. Cuban ex-president Fidel Castro, for example, praised Lula's position in the fuel-swap conversations and cited an emblematic sentence by the Brazilian president about the sanctions: they were imposed by those who believe in force and not in dialogue.<sup>15</sup> Ban Ki-moon, the UN Secretary-General, considered the Tehran declaration "an important move" because it would allow other negotiated solutions to the problem. In light of the support for Brazil's capacity to negotiate, Brazil's ambassador to North Korea, Arnaldo Carrilho, said that maybe there would be an opportunity for Brazil to participate in conversations with North Korea about its nuclear program, and Syrian President Bashar al-Assad asked Lula to mediate a peace agreement with Israel.<sup>16</sup>

Representatives in the U.S. Congress and Israel, however, criticized Lula's standing because of their concern about Iran's nuclear ambitions as well as its human rights records, and they believed that it was an error to lend legitimacy to

Ahmadinejad. France said the deal would not solve core issues, and Russia expressed similar concerns. Russian President Dmitry Medvedev said the proposal was not sufficient, even though he welcomed the joint effort of Brazil and Turkey to bring about a diplomatic solution. The European Union indicated that the deal would be a step in the right direction, but many details would need to be revealed.<sup>17</sup> The United Kingdom noted that even if Iran followed the agreement brokered by Brazil and Turkey, Iran would retain almost 50 percent of its LEU stockpile, which could be enriched further.<sup>18</sup> For the ex-director general of the IAEA, Mohamed ElBaradei, however, the deal was a “quite good agreement,” and it would be wrong to consider it an “empty dressing” because, in his opinion, the only way to solve the Iranian problem is to build trust. The removal of 1,200 kilograms of Iran’s nuclear material out of its territory could show goodwill and give the West space to negotiate.<sup>19</sup>

Domestically, before the agreement was signed, many sectors of Brazil’s strategic community and society believed that Lula would fail in his dialogue with Ahmadinejad. Brazil’s ex-foreign minister Luiz Felipe Lampreia exemplified such skepticism saying there had been many similar previous initiatives but that Iran seemed to have “a defined national objective” of having a complete nuclear capacity, including uranium enrichment for the production of bombs. He also predicted that failure in these negotiations would damage Lula’s international profile, because the attitude of Western great powers and the UN Security Council would turn negative toward Brazil. In his opinion, Lula was trying to play “a game for the domestic audience,” telling his voters and members of his political party—the Workers’ Party—that he was in a very difficult situation and did what he could to make progress on an issue of importance to international security and peace.<sup>20</sup>

When the agreement was finally reached, some of Brazil’s domestic opposition insisted that instead of increasing its chances to become a permanent member of the Security Council, Brazil was committing “diplomatic suicide” by building closer ties with Iran while harming relations with the United States and other great powers. Rubens Barbosa—former Brazilian ambassador to the United States and United Kingdom—believed that Lula and his foreign policy team were miscalculating China’s and Russia’s interests, and pretending not to see the domestic and foreign pressures pushing Obama to take a more assertive stance regarding Iran.<sup>21</sup>

While Brazil has long defended the relevance of nuclear technology to a country’s social and economic development, some officials worried that other countries might doubt Brasilia’s commitment to peaceful nuclear intentions. Sergio Rezende, minister of Science and Technology, worried that Brazil’s approximation with Iran could raise suspicions about Brazil’s intentions, though many relevant actors in the national security arena—such as José Benedito de



Barros Moreira, military adviser to the Permanent Mission to the UN in Geneva—in 2008 insisted on the development of nuclear weapons by Brazil to protect its natural resources.<sup>22</sup> Vice President José Alencar even stated that Iran should be allowed to develop nuclear energy for military purposes, especially to dissuade external aggression, and that Brazil was entitled to the same right in his opinion. Defense Minister Nelson Jobim tried to dismiss Alencar’s comments.

In the Brazilian Congress, many in the opposition questioned Brasilia’s participation in the negotiations with Tehran. For Representative Raul Jungmann—from the Socialist Popular Party—there was no national interest which would justify the direct involvement of the president and the foreign minister in the negotiations. Jungmann also feared that Brazil’s standing would leave it isolated from the UN Security Council and bring risks to the country because of its association with a nation that “violates human rights and UN resolutions.”<sup>23</sup> Representative Duarte Nogueira—from the Brazilian Social Democratic Party—saw the opportunity neither for growing commercial relations nor for technology exchange with Iran.

Representatives from Lula’s Workers’ Party, however, welcomed the agreement and indicated that some sectors of Brazilian society were simply not used to a foreign policy independent from the United States. Representative Nilson Mourão, for example, understood there was some estrangement in the relationship with Washington, but this was because Foreign Minister Amorim conducted an autonomous foreign policy, and sometimes it was necessary to oppose the guidelines defended by the great power. Mourão also said that nuclear weapon states were not in a position to prevent the armament of other countries

before eliminating their own weapons. Many representatives and senators allied to Lula’s government agreed with Amorim that Brazil’s participation strengthened the country’s international credibility.<sup>24</sup>

Other actors and interest groups also welcomed the results of the negotiations. The president of the National Commission of Nuclear Energy, Odair Dias Gonçalves, described the negotiations of the fuel swap as a “victory.” He highlighted that Brazil is

investing heavily in its nuclear program, and the fuel-swap declaration signed by Iran contributed to the implementation of the program with more clarity. Brokering the agreement allowed Brazil to demonstrate its ability to negotiate as well as showed its peaceful intentions regarding the use of nuclear energy. The president of the Brazilian Association of Nuclear Energy, Guilherme Camargo, said it was positive “to take the emotion out of this discussion and not to present

**The fuel swap at least represented a starting point and a confidence-building measure.**



Iran as a rogue state or Ahmadinejad as a new Hitler. ...[a tendency] mainly by the U.S. Department of State, that wants to demonize a country and its people.”<sup>25</sup>

In Brazilian society, however, many NGOs criticized the agreement not only because of its content, but also because of Brazil’s intensified relations with a country that disrespects international institutions and human rights. “Iran loses credibility when it does not meet the agreements with international institutions and shows complete neglect with human rights issues,”<sup>26</sup> said the civil-society group Frente pela Liberdade no Irã (Front for Freedom in Iran). Most newspapers and magazines in Brazil also criticized Lula’s initiative. The newspaper *Folha de S. Paulo*—one of the most important in the country—said that the fuel-swap deal could reduce Iran’s isolation and postpone UN sanctions, but it would hardly result in an Iranian commitment. *Veja* magazine argued that Iran disrespected previous agreements and it would not be any different with the new one.<sup>27</sup>

Lula’s team prioritized its domestic audience in countering these criticisms by arguing that Lula’s position could strengthen Brazil’s international role. Amorim, for example, contended that great powers “hurried” to approve the sanctions proposed by the United States because, in his perception, international public opinion

**Lula’s position could strengthen Brazil’s international role.**

started to view the fuel-swap agreement positively, a spin beneficial for Lula’s image. “Dialogue and diplomacy can help overcome obstacles,” Amorim said.<sup>28</sup> The special assistant of the president for international affairs, Marco Aurélio Garcia, stated that the United States would suffer “moral sanctions” if it kept insisting on applying economic and commercial sanctions against Iran.<sup>29</sup> Contrary to Brazil, the United States did not show much concern for the impact of sanctions on Iranian society. This emphasis on morality consolidated Lula’s domestic image as a leader who cares for developing societies.

### **Brazil’s Nonproliferation Strategy**

The fuel-swap agreement brokered by Lula was certainly consistent with broader Brazilian non-proliferation strategy. The key to the fuel-swap deal was to show respect, a willingness to negotiate, and to listen and be flexible so as to accommodate different interests, all traits which Brasilia believes it can add to global security. The agreement was not simply an act of defiance or an assertion of rising powers’ authority, as some great powers interpreted. If the United States and some of its allies were using sanctions to reduce the chance that Israel would take military action against Iran, Brazil and Turkey sought a different approach

**The agreement was not simply an act of defiance or an assertion of rising powers' authority.**

to produce better results with Iran and probably other countries often classified as “rogue states.” Even though dealing with Iran’s nuclear program is complicated, the fuel-swap agreement may, at least, represent a starting point that puts confrontation and threat aside in order to achieve better deals.<sup>30</sup>

More broadly, Brazil’s nuclear nonproliferation diplomacy under Lula’s administration from 2003–2010 had two main elements: first, to

promote the idea that mediation and negotiation between nuclear-weapon and non-nuclear-weapon countries is the way to preserve the rights of all signatories of the NPT to use nuclear technology for electricity production and medical uses; and second, to support the multilateral defense of nuclear nonproliferation while preserving Brazil’s autonomy and flexibility to protect commercial secrets and its national security regarding its own nuclear program. For Brazil, the fuel-swap agreement brings the benefit of being one of the main architects of an initiative applauded in the developing world, and it may open possibilities for more participation in security debates in international forums.

In this case, Brazil tried to make itself a credible dispute settler in order to criticize the inequalities and asymmetries of the NPT and to defend the right of non-nuclear weapon states to develop their peaceful nuclear programs, including enrichment programs, free from international criticism. To capitalize on this pro-bargaining position, Brazil can be expected to work to consolidate its image as a rising power that desires to participate in the “select clubs” dominated by great powers. Power projection for Brasilia beyond Latin America is based on the idea that diplomacy by intermediate states can achieve success where great powers’ sanctions and truculence do not work, especially when dealing with radical or unstable governments. As Amorim said, the traditional centers of power do not gladly share their privileged status, but Brazil would try to consolidate its autonomy and avoid precedents for open or indirect forms of intervention in other countries.<sup>31</sup>

The second principle, preserving the research and development of nuclear energy, is a particularly sensitive subject in Brazil, with constitutionally-defined peaceful purposes. Brazil did join the main nonproliferation agreements, including the NPT in 1998, and has respected the provisions of the IAEA, despite not allowing inspectors to have complete access to its uranium enrichment plant in 2004 because of the alleged necessity to defend commercial secrets. In spite of constant U.S. pressure, Brazil has refused to sign the Additional Protocol to the NPT because the demanded extensions of safeguards could allow greater access to Brazil’s nuclear infrastructure and create

problems for the safety of information about independently-developed centrifuge technology. Brazilian authorities also think that stronger safeguards are not sustainable without positive developments by the nuclear-weapon states toward nuclear disarmament.<sup>32</sup>

Even though some members of Lula's administration—such as Minister Samuel Pinheiro Guimarães, head of the Strategic Affairs Secretariat—were very critical of the NPT for consolidating asymmetries between nuclear and non-nuclear weapon states, they understood that the treaty is an important part of showing Brazil's commitment to the development of nuclear energy for peaceful purposes and to pressure nuclear powers to disarm. In spite of the fact that little progress has been made on disarmament, Brazil keeps pressuring the nuclear-weapon countries to fulfill their commitments. In the meantime, Brasilia criticizes the Additional Protocol as a tool to limit emerging powers' participation in the nuclear-fuel market and their development of technology.<sup>33</sup>

Although Lula's administration preserved the emphasis of previous governments on multilateralism and the relevance of norms and rules, it articulated a more emphatic position on defending national sovereignty and leadership through more dynamic diplomatic action, as in the case of the deal with Iran. At the same time, Lula's team believed that the deal was fundamental to secure autonomy, and it also saw the ability to diversify the country's diplomatic relations in order to reduce dependency on great powers. That opened the possibility to consolidate international rules by constructing a South–South alliance and agreements with nonconventional partners.

Brazil expects that institutionalizing coordination of positions with Southern countries and defining alliances with them could help reduce power asymmetries and maximize opportunities for weaker nations, since many of those states share common interests with Brazil in their criticism of inequality in international affairs. These strategies might also reduce the chances of unilateral actions by great powers and increase the relative power of intermediate countries in international bargaining.<sup>34</sup> Amorim defended countries such as Brazil, China, India, and South Africa, saying that while they may be “new kids on the block”<sup>35</sup> among global players, they have legitimate aspirations for more participation. Many of Lula's administration officials thought that good relations with Ahmadinejad and other radical leaders would have a spillover effect in consolidating multilateral stability and support for Brazil's international aspirations.<sup>36</sup> Preserving good relations with radical leaders could be a starting

**D**iplomacy by intermediate states can achieve success where great powers' sanctions do not work.

point to persuade them to respect international rules and norms and bring more predictability to their behavior.

Lula's successor, Dilma Rousseff, whose administration began on January 1, 2011, is expected to preserve the nonproliferation policy adopted by Lula, as well as Brazil's general engagement policy through the role of dispute settler. During the presidential campaign, Rousseff—who was the candidate of Lula's Workers' Party in the 2010 presidential elections—said that Lula developed a “pro-peace” foreign policy and that Brazil sought a negotiated solution to the critical situation in the Middle East. She argued that her administration would want a denuclearized Iran and would fight for nuclear nonproliferation. Rousseff also stated that Brazil “will always believe in diplomatic solutions for conflicts,” which was what motivated Lula to broker the fuel-swap agreement with Iran. She said that Iran's signing the fuel-swap declaration was an “important moment of Brazilian diplomacy” and the fact that Iran accepted the transfer of LEU and its use for peaceful purposes “makes sense” and was originally a proposal of the IAEA.<sup>37</sup>

Rousseff considers the adoption of sanctions “ineffective,” because they only cause the suffering of the population of the countries against which they are imposed. She believes that since Brazil has economic and commercial relations with Iran, there is no reason not to strengthen them; only when there are well-established bilateral relations does it become possible to develop reciprocal trust, in her opinion. This is what allowed Brazil “at the same time, to have an excellent dialogue with President Barack Obama, talk to Secretary of State Hillary Clinton, and welcome president Mahmoud Ahmadinejad.”<sup>38</sup>

## Final Considerations

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With the fuel-swap agreement, Lula intended not only to prevent sanctions that would damage trade activity with Iran, but also to consolidate the international right to develop peaceful nuclear activities. In a broader sense, many specialists agree that Brazil also wanted to raise its international position and to critique the distribution of power on the global stage.

Although the agreement is pending with the IAEA and many doubt that Lula really achieved all those goals, the fact is that, after the fuel-swap agreement, Iranian decisionmakers indicated that they would like to renew talks—including with the United States—on Iran's nuclear program.<sup>39</sup> In December 2010, Iranian authorities engaged in negotiations with the P5+1—represented by Catherine Ashton—in Geneva, but few results were achieved immediately. Although the possibility of military action by the United States to interrupt uranium enrichment in Iranian territory was not discarded, the Western powers got Iran to agree to developing further talks in 2011. Western authorities indicated

that Iran's willingness to negotiate was the result of the intensification of sanctions, but Ahmadinejad discarded this by saying that he would not change the essentials of Iran's program and would like to widen the structure of the negotiations to include international security and economic cooperation. In January, the talks between Iran and the P5 + 1 broke down over the issue of Iran wanting preconditions, including an end to the economic sanctions, to discuss its nuclear program.<sup>40</sup>

Even though the fuel-swap agreement did not solve all the problems related to the Iranian nuclear program, and was condemned internationally and domestically by many actors, it at least represented a good starting point for confidence-building. Lula's team tried to demonstrate that a new tactic was needed to deal with Iran: creating space for dialogue. Brazilian decisionmakers argued that engaging Iran—instead of isolating it—was the way to push for peace and stability in the Middle East. Such a strategy means that Iran's positions and demands could be considered and discussed with less conflict, and Tehran could be incentivized to guarantee the international community that its nuclear program is being developed for peaceful purposes.

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