

PolicyWatch #1659

## Analyzing the New UN Sanctions Proposal on Iran

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The May 18 draft resolution proposing additional sanctions to curb Iran's nuclear program is backed by all five permanent members of the UN Security Council. Although this unanimity is the proposal's principal strength, it comes at the cost of making the draft weaker in some sections than ideas discussed previously by the Obama administration. The following is an analysis of some of the resolution's key elements.

### **Enforcement: Overcoming Practical Obstacles**

One of the draft's most encouraging aspects is its seven-paragraph section on sanctions enforcement. The resolution calls for the Iran Sanctions Committee to "intensify its efforts...including through a work program covering compliance, investigations, outreach, dialogue, assistance and cooperation." It also calls for the secretary-general to appoint a panel of up to eight experts to "gather, examine and analyze information from States, relevant United Nations bodies and other interested parties" and to "make recommendations on actions the Council, or the [Sanctions] Committee or [individual member] State, may consider to improve implementation of the relevant measures."

As Michael Jacobson has written in previous analysis for The Washington Institute, such expert panels have been important in strengthening sanctions on Sudan and Ethiopia. The "naming and shaming" power of a panel's reports could influence firms and individuals considering whether to run the risk of doing business with Iran. An expert panel could also help the Sanctions Committee and UN member states by recommending ways to make the sanctions more effective. Jacobson described two such methods in PolicyWatch #1639, [Closing Loopholes: Another Vital Aspect of Sanctions on Iran](#): (1) conducting onsite verifications at transit hubs to ensure that dual-use goods have reached their intended destination and were not re-exported to Iran; this effort would build on the work of U.S. Immigration and Customs Enforcement, which currently operates sixty-three offices in forty-four countries; and (2) creating a global database of "bad actors" (preferably housed at the Brussels-based World Customs Organization) for law enforcement authorities in countries that may lack the resources to detect the front companies often used to evade sanctions.

The UN draft also restates the Sanctions Committee's authority to target additional individuals and entities, including those "who have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, these resolutions." With this authority, the Sanctions Committee could -- given the requisite political will -- move much more quickly to address the technical problem of new front companies. However, it does not seem that this authority for additional designations has to date been exercised by the Sanctions Committee. The Committee has not been active and has lacked resources. Hopefully this will change, as called for by other paragraphs in the draft resolution. But still the key will be information provided by those most concerned, especially the United States and European Union.

In addition, the draft contains a six-paragraph section on "illegal shipments," authorizing states to inspect ships and planes bound for Iran "if there is information that provides reasonable grounds to believe the vessel is carrying" prohibited items. It also bars the provision of fuel and supplies ("bunkering services") to such ships. This section seems patterned on Security Council Resolution 1874 regarding North Korean arms exports -- a

measure that has reportedly limited the regime's shipments, including one incident in which a vessel apparently turned back to North Korea rather than risk inspection.

That said, implementing the Iranian resolution's inspection provision would raise some practical constraints. The draft requires "the consent of the flag State," that is, the government whose flag is flown on the vessel. This may be a problem. For instance, it seems unlikely that North Korea, a source for some of Iran's arms and missile imports (and perhaps nuclear technology), would grant permission to search ships flying its flag.

Another issue is that the inspection process requires the cooperation of a country into whose port the suspect ship can be brought. It is difficult to conduct such inspections on the high seas, and if illicit material is found, offloading and disposing of it may not be practical without access to a nearby port. Therefore, the inspection provision would work best if naval forces had permission to bring suspect ships into ports in the Arabian Peninsula or Indian Ocean littoral states. Obtaining such permission would no doubt be difficult.

### **From Vigilance to Prohibition**

Several passages of the draft resolution call on member states to "exercise vigilance" toward certain activities related to Iran, particularly transactions involving Iranian banks or the Islamic Revolutionary Guard Corps (IRGC), business dealings between a given state's nationals and Iranian entities, and any provision of arms and related materiel or maintenance to Iran. Each of these provisions includes a tradeoff, however. Unlike the prohibitions contained elsewhere in the resolution, they are nonbinding, but they are also more ambitious in scope than these prohibitions. In general, the "vigilance" provisions represent compromises over activities that some of the P-5+1 states (the five permanent Security Council members plus Germany) would like to see prohibited but others would not.

More specifically, the provisions serve two purposes. First, they provide a basis for individual states to enact laws or regulations that, at a minimum, boost the scrutiny and cost involved for any of their nationals who seek to do business with Iran. Some states (referred to by the United States and EU-3 as the "like-minded") may use the call for vigilance as an opportunity to go beyond the resolution's requirements and formally prohibit a given activity. It could also be used as an excuse for governments to exercise oversight of commercial matters in which they might otherwise be politically or legally constrained. Indeed, as currently drafted, the provisions are sweeping in scope. This may suggest that although the draft's actual prohibitions are incremental, like-minded states will seek to impose prohibitions of their own that are far more damaging.

Second, vigilance provisions often foreshadow future prohibitions. For example, in 2006, Security Council Resolution 1737 called on states to exercise vigilance regarding the movements of several individuals linked to Iran; a year later, Resolution 1747 placed a travel ban on several of these individuals. Similarly, the draft resolution's prohibitions on arms sales and banking relationships with Iran were preceded by corresponding vigilance provisions in earlier resolutions. In the same way, issues merely mentioned in the current draft -- most notably the role of oil revenues in funding Iran's nuclear program -- may indicate which activities will be targeted for vigilance in future sanctions efforts.

### **Impact of Arms-Related Measures**

If implemented, the draft's proposed sanctions on conventional arms sales, assistance, and training would have varying effects on Iran's military capabilities, especially over time. First, restrictions on the sale of ground combat systems (tanks, artillery, armored combat vehicles) would have only a limited impact on the Iranian army and IRGC ground forces. Iran has large numbers of these systems already and produces some of them internally. The primary effects would therefore be to prevent large purchases and future modernization.

Limiting Iranian acquisition of other systems -- particularly aircraft, attack helicopters, ships, and missiles -- is more significant. All of these are vital to Iran's ability to project power or defend against strikes on its nuclear facilities or other key targets. Whether it seeks to intimidate its Gulf neighbors or assert power in the Strait of

Hormuz, Iran is significantly dependent on external sources for the modern air, naval, and missile systems required to support these capabilities.

The draft's restriction on sales of missiles or missile systems is especially noteworthy. This measure appears to cover surface-to-surface missile (SSM) systems and components. Iran continues to push for longer-range, more accurate, and more survivable SSM systems, but it needs foreign assistance in areas such as engines, guidance systems, and penetration aids. At minimum, retarding Iran's SSM program would slow the developing threat it represents to other regional states and beyond. The measure would be still more significant if it applied to the sale of advanced air defense systems such as the Russian S-300 or similar Chinese systems. The S-300 has long been considered a game changer in terms of Israel's ability and willingness to strike Iranian nuclear facilities. It would also increase the risk to any U.S. operations against Iran. The Islamic Republic remains keenly interested in acquiring the S-300 or an equivalent system; preventing this would facilitate any proposed attack and raise Iran's sense of vulnerability to a strike.

Finally, the resolution seems to toughen measures against importing or exporting prohibited items by air or sea. In addition to making it more difficult for Iran to acquire certain systems and components, these changes could complicate the regime's efforts to supply Hizballah and Hamas.

### **Explanation to the Iranian People**

One of the draft resolution's key objectives is to influence Iranian decisionmaking about the nuclear program. Despite the international focus on the nuclear issue, however, Iran's leaders -- like leaders in most any other country -- are primarily concerned about domestic politics. Therefore, the global community's leverage on Iran will greatly depend on how the sanctions affect the Iranian domestic political scene. This realization lends particular importance to how the United States and other actors explain new sanctions to the Iranian people, who do not necessarily understand the objectives and strategy of the P-5+1.

The Islamic Republic is already spinning the new sanctions proposal -- and the cold reception that greeted the regime's own concurrent nuclear fuel agreement with Brazil and Turkey -- as evidence that the United States and the West are uninterested in solving problems and want only to impose their will on Iran. But the Iranian people have become quite suspicious of official information sources. That suspicion, combined with general incomprehension about what the new sanctions proposal entails, creates an opportunity to shape views.

Obama administration officials have repeatedly said that they want to focus sanctions on the IRGC, which is responsible for much of the nuclear program as well as rampant human rights violations. That focus is not apparent in the current draft resolution, though it may emerge when the lists of targeted entities are added. In any case, given their country's longstanding political culture, Iranians would be open to a message that the stated reasons for the sanctions differ from the actual reasons.

Specifically, a concerted publicity campaign -- with senior U.S. and Western officials appearing on Persian-language media outlets such as the BBC and Voice of America -- could convince many Iranians that human rights violations had as much to do with spurring sanctions as the nuclear program. Such a campaign would have the additional merit of being true, at least for the many European governments that have been moved by public outcry about Tehran's violent repression of dissent. The United States and its Western allies have a moral and practical interest in the Iranian democratic movement's progress, so they should make an effort to connect their sanctions proposals to Iranian concerns. In short, how the sanctions are explained to the people of Iran may be as important as what sanctions are adopted.

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