



ARMS CONTROL NEGOTIATION ACADEMY

Delivering Stability through Safeguards - Two Possible Paths for the IAEA's Relationship with Iran

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Policy Memo

Date: 27 May 2022

TO: Director General, Rafael Grossi

FROM: Department of Safeguards/Department of Technical Cooperation

SUBJECT: Delivering stability through safeguards - Two possible paths for the IAEA's relationship with Iran

Summary:

In order to overcome the modalities that hinder the revival of the JCPOA, the IAEA should undertake two efforts. First, in the short-term, the Agency should exploit a limited 'Zone of Possible Agreement' (ZOPA) and encourage Iran to address the issues within Iran's Comprehensive Safeguards Agreement (CSA) to build trust and confidence. Second, the Agency must prepare for the enormous surge in resources required for the vastly expanded verification activities required should the JCPOA be unlocked. The two scenarios (a JCPOA 'deal' or 'no deal') are detailed below.

Recommendations:

Based on two possible outcomes ('deal' or 'no deal' for a JCPOA-like revival), and nested with the two efforts listed above, the Iran Team proposes the following recommendations:

If no JCPOA revival:

- a. Resolve historic uranium traces at three locations to help avoid distraction and reduce opportunity for spoilers.¹
- b. Continue to emphasize the Agency's technical mandate in your (DG Grossi's) public statements to help insulate our work with Iran from wider geopolitical context.²
- c. Work with current JCPOA parties on tools to reduce risk and build confidence in case parties want to return to discussions on a deal later.
- d. Make full use of authorities under CSA agreement, including special inspections authorities when needed, and ensure adherence to Modified Code 3.1. This will support ongoing transparency including on likely break-out time.
- e. Encourage Iran to repeal its 'Strategic Action Plan to Counter Sanctions' laws in order to re-establish greater oversight (for example, reinstating access to camera footage at facilities including Karaj.)

¹ Tehran has submitted written explanations to questions raised by the IAEA on the three locations and the IAEA had to submit to the AEOI any questions on the received information within the following two weeks. Aim is to have you (DG Grossi) report conclusions to the June's IAEA Board of Governors.

² For example, DG Grossi 5 March 2022 statement underlining that political pressure is not helping successful outcomes: "we have to be left alone in our professional work and we will determine with the experts at the safeguards department".

- f. Encourage Iran to continue notification of emerging nuclear programs and development, particularly given Iran's stated intention to pursue a new nuclear power plant and other 'peaceful uses' projects.³
- g. Maintain Agency planning to support verification of immediate JCPOA implementation, if restored. Build-up Agency resources accordingly.
- h. In the mid-term, encourage Iran's implementation of the Additional Protocol (and ratification, in the best case) to provide an expanded set of access and protocols.

If JCPOA revival:

- a. Request that the Agency monitor the revised JCPOA under UN authorities, oversee the removal of Iran's excess nuclear material to ensure adherence to JCPOA stockpile limits.⁴ o In the current geopolitical climate, the Agency's ability to certify the technical nature of such an arrangement will be important to quarantine it from politics.
- b. Seek early "wins" which build confidence between Agency representatives and Iran, as well as between all JCPOA parties (may include a return to previous limitations on uranium enrichment, centrifuge production, heavy water).
- c. Oversee, in the early months, Iran's dismantling of excess centrifuge cascades at Natanz and Fordow.⁵
- d. Re-establish verification of declared nuclear R&D and build confidence in communication channels to encourage Iran to reinstate notification requirements.
- e. In the longer-term, work to establish mechanisms to verify undeclared nuclear activity and technologies (for example, development of nuclear-powered marine vessels).

Background:

1. Overlay of 'Outstanding Issues'⁶

Historic issues will continue to undermine long-term trust between the E3+3 (France, United Kingdom, Germany, United States, Russia, China) parties with respect to Iran's nuclear program, and place pressure on the JCPOA talks if not resolved. A conclusive report by the Agency on uranium traces at the three historic sites will boost the confidence of Iran and E3+3. Paradoxically, it may also be easier for the Agency to finalize these matters before the U.S. decides to re-join the JCPOA. The Agency must therefore continue to prioritize finalization of reporting on these matters. While the E3+3 parties continue to seek their resolution regardless of JCPOA progress, Iran would prefer to handle the JCPOA

³ AEOI Chief Eslami has noted plans to start constructing the first fully domestic 360-megawatt nuclear power plant later in 2022. Iran's 20-year comprehensive document for nuclear energy development, to be released on National Nuclear Technology Day, likely to include radiopharmaceuticals, nonthermal plasma, laser, and control and photographing technologies. See Islamic Republic News Agency, "Iran's nuclear chief vows "nuclear renaissance", 6 April 2022, [Iran's atomic chief vows "nuclear renaissance" - IRNA English](#)

⁴ Understand that Iran continues talks with Russia's Rosatom on swapping nuclear materials in case a deal is reached in Vienna. Talks are technical and include quantities, method of transfer and what Iran would receive in return.

⁵ Noting statements by Foreign Minister Javad Zarif that all developments in breach of JCPOA were reversible. See ACONA 'Policy Brief', 13 February, p 7.

process separately. The June Board of Governors meeting will be a litmus test for prospects of progress on this issue and the wider JCPOA process.

With this in mind, the following sections highlight the interests of the Agency and Iran in a deal or 'no deal' scenario.

2. 'No deal' Best Alternative to a Negotiated Agreement scenario⁷

For the Agency, the 'best alternative to a negotiated agreement' (BATNA) if the JCPOA fails to be revived:

- a. Ongoing implementation of Iran's CSA using baseline inspection and verification tools including restoration of camera footage.
- b. Voluntary implementation by Iran of its Additional Protocols (AP) including 'complementary access' provisions using expanded tools and access to sites.
- c. Resolution of Possible Military Dimensions (PMD) of Iran's nuclear program and historic issues through reporting to the Board of Governors agreement with the Atomic Energy Organization of Iran (AEOI).

For Iran, the 'best alternative to a negotiated agreement' if the JCPOA fails to be revived:

- a. Baseline monitoring and verification in accordance with CSA, satisfying the Agency's minimum requirements and protecting Iran from further political or economic backlash.
- b. No implementation of AP and no Agency activity on issues of greatest sensitivity: undeclared nuclear activity, military sites, limits on research and development (R&D).⁸
- c. An Agency statement that PMDs and related issues are resolved to the Agency's satisfaction and are closed.

⁷ This includes the PMD of the Iran nuclear program, answers on suspect uranium traces found at different sites throughout Iran, and the so-called 'Atomic Archive', a dossier of information alleging undeclared past work on a nuclear weapons program. See 'Policy Brief: Politics and Technicalities of the IAEA Safeguards Implementation in Iran: A Map for Negotiations', 13 February.

⁸ See 'Policy Brief: Politics and Technicalities of the IAEA Safeguards Implementation in Iran: A Map for Negotiations', 13 February (ACONA 'Policy Brief') for details on Iran's safeguards interests. A table at pp6-7 depicts safeguards activity which helps create a picture of activity most likely to be sensitive to Iran.

3. 'Deal' for JCPOA revival Best Alternative to a Negotiated Agreement scenario

For IAEA, the best outcome in the case of JCPOA revival is:

- a. Reinstatement of previous limitations on uranium enrichment, centrifuge production, heavy water.

- b. As a priority, overseeing reduction of enriched uranium stockpiles to allowable JCPOA limits.
- c. Adherence to the AP and continuous access to verify undeclared nuclear activity and technologies using full range of available technology and capabilities.
- d. Finalization of PMD and related issues closed.

For Iran, the best outcome in the case of JCPOA revival is:

- a. Minimum allowable monitoring and verification under JCPOA.
- b. A graduated return to pre-September 2019 stockpile limits for low-enriched uranium and heavy water.
- c. Slow dismantlement of additional centrifuge cascades at Natanz and Fordow to allow for reversal if agreement stalls.
- d. Return to limitations on nuclear R&D, with only ostensible commitment to verification of all R&D.
- e. Agency statement that PMD and historic traces issues are finalized.

The Authors

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Ali Rached currently serves at the Front Office of INTERPOL's Executive Director for Partnerships and Planning in a policy and strategic advisory capacity and has been an international civil servant at INTERPOL since 2011. From 2015 to 2018, Ali served as the main Policy Analyst of INTERPOL's Counter-Terrorism Directorate, where he provided strategic analytical and advisory support to INTERPOL's executive management on relevant matters; contributed to the drafting and implementation of the INTERPOL Global Counter-Terrorism Strategy; chaired the UN Counter-Terrorism Implementation Task-force's Working Group on Critical Infrastructure Protection; negotiated cooperation agreements with key partner organizations; and represented INTERPOL at various international forums such as the Biological Weapons Convention, the UN Security Council Committee established pursuant to Resolution 1540 (2004), the G7's Global partnership against the spread of WMD, and many others. Prior to this position, Ali was a founding member of INTERPOL's Chemical, Biological, Radiological, Nuclear and Explosives (CBRNE) Terrorism Prevention Sub-Directorate, in the capacity of Intelligence Analyst Associate. Prior to joining INTERPOL, Ali held several research positions in France and Egypt-based think tanks, such as the Fondation pour la Recherche Strategic in Paris and the Egyptian Council for Foreign Affairs in Cairo, where his research and publications focused on WMD proliferation networks and disarmament.