**JCPOA UPDATE NO. 2**

***Analysis of verification and compliance matters concerning the Iran Agreement***

**30 NOVEMBER 2018**

**The IAEA’s Latest Report Reveals Little Change in Iran’s Compliance**

Verification of Iran’s compliance with the JCPOA continues with little apparent change. IAEA Director General Yukiya Amano reported to the Board of Governors on 12 November 2018 (the document was de-restricted two days later) that “the Agency continues to verify the non-diversion of declared nuclear material at the nuclear facilities and locations outside facilities where nuclear material is customarily used (LOFs) declared by Iran under its Safeguards Agreement”.[[1]](#endnote-1) He added that since Implementation Day, which fell on 16 January 2016, the IAEA has been “verifying and monitoring the implementation by Iran of its nuclear-related commitments under the JCPOA”.

There were few changes of substance from the previous report of August 2018. The amount of extrabudgetary funding available for JCPOA-related activities had increased by €2 million to €8.2 million, amounting to one and a half years’ estimated expenditure. The estimated annual cost of €9.2 million (both regular IAEA budget and extrabudgetary) has not changed since the agreement was concluded in 2015.

Changes in Iran’s compliance with the JCPOA since August 2018 were minor and all were in accordance with the agreement. There was a slight decrease in Iran’s stock of heavy water. In addition, Iran had withdrawn 33 IR-1 centrifuges from those held in storage to replace damaged or failed IR-1 centrifuges at the Fuel Enrichment Plant (FEP) at Natanz. There was a slight increase in Iran’s holdings of enriched uranium (by 10 kilograms). At the Fordow Fuel Enrichment Plant the number of IR-1 centrifuges installed in a layout of 16 positions, for permitted R&D related to stable isotope production, dropped from 5 to 2. The Agency reported that it had attended one meeting of the Procurement Working Group of the JCPOA’s Joint Commission. In all other respects the formulations of the report were identical to the previous one.

Nonetheless, the increasingly formulaic IAEA reports mask significant ambiguity. The language of the Director General’s conclusion to each report can be read either as a factual statement that the IAEA is carrying out the necessary verification and monitoring of the JCPOA, or that Iran’s compliance has been confirmed (that is, that Iran is complying with all its obligations in the agreement). However, the details of the November report again confirm that, according to the information available to the IAEA, Iran is continuing to comply with the various constraints imposed on its nuclear activities― despite US withdrawal from the JCPOA and the reimposition of US sanctions. The Associated Press reported a senior diplomat in Vienna as saying that ‘there’s nothing that indicates that Iran’s cooperation or Iran’s attitude has changed since November 5 [2018]”, when U.S. sanctions were reimposed.[[2]](#endnote-2)

**U.S. Analysts Reveal Details of Iran’s Atomic Archive and call for IAEA Verification**

Meanwhile, the Washington DC-based Institute for Science and International Security (ISIS) and the Foundation for Defense of Democracies (FDD) have analysed the contents of at least some of the trove of documents and materials seized by Israel in Tehran earlier this year. The archive includes over 100,000 pages covering the period from 1999 to 2003, a decade before negotiations on a nuclear deal with Iran began. The Israeli government has been providing ISIS with satellite imagery and other information to encourage the institute to publicize the Israelis’ allegations against Iran.

The archives provide evidence that, contrary to repeated Iranian denials, there was a large high-explosive chamber at the Parchin military base used for conducting high explosive compression tests for nuclear weapons development. The evidence includes photos of the chamber that appear to have been taken at Parchin. The alleged activity at Parchin was a crucial part of the so-called Possible Military Dimensions (PMD) of Iran’s nuclear program that the IAEA was tasked with seeking to resolve before the JCPOA could be implemented. The IAEA was granted only limited access to the Parchin site and sample collection was done by the Iranians, with remote Agency “oversight”. Even so, the Agency detected the presence of uranium particles at the site, the origin of which was never resolved.

The authors of an ISIS report published in October―David Albright, Sarah Bukhard, Olli Heinonen and Frank Pabian―conclude that Iran conducted more high-explosive tests related to nuclear weapons development at Parchin than was previously thought.[[3]](#endnote-3) This work “appears to have involved more than what the IAEA called feasibility and scientific studies, or the acquisition of certain relevant technical competences and capabilities”. Given that there are no accepted technical definitions of the terms used by the Agency this claim is not testable.

However, the authors rightly question where the equipment Iran was using at Parchin, including the chamber, was taken and whether it will be available for future use. Although Iran was required by the JCPOA to account for its past PMD activities, it was not obliged to surrender or identify equipment it had used. The authors call “an unwise political decision” the reluctance of the Obama administration to insist on resolution of the Parchin and broader nuclear weapons issues as a pre-condition for arriving at the JCPOA or implementing it. While ideally Iran should have been required to identify and destroy all its nuclear weapons documentation and equipment, as South Africa had done in the 1990s, Iran would never have agreed. The Iran deal, reached after a decade of tortuous talks and negotiations was only possible by fudging Iran’s past activities and beginning afresh with a verification arrangement focused on monitoring Iran’s future activities. The benefit of the JCPOA was a curb on key aspects of Iran’s nuclear activities for at least a decade, with other constraints lasting well beyond.

The authors recommend that the IAEA follow up with the Iranians the information obtained from the nuclear archive, which Israel apparently provided directly and discretely to the Agency before its public release. They point out that the Agency launched such an investigation in 2003 when first alerted to information about Iran’s non-compliance by an opposition group. Without providing further detail the ISIS researchers claim the IAEA has received “mixed support” from the JCPOA’s Joint Commission, originally comprising all parties, including Iran, in assessing the Parchin site. Iran would obviously not be in favour of investigating the nuclear archive. Moreover, it is no longer clear that the US can be a member of the Commission if it is no longer a party to the agreement.

The authors forlornly recommend that the United States, along with the E3 (France, Germany and the UK), should urge the IAEA to substantially enhance its inspections in Iran. Since the Trump administration has renounced the JCPOA the US has no standing to press for more intensive verification of the agreement. As an IAEA member state and permanent member of the Agency’s Board of Governors, the US naturally retains a strong continuing interest in upholding the credibility of the global nuclear safeguards system, including the non-JCPOA-related safeguards applied to Iran regardless of the JCPOA. However, American credibility and influence in the Agency on the Iran case and more broadly has been weakened by the attempt of the Trump Administration to destroy a landmark non-proliferation agreement.

A second report, released in November by ISIS and FDD, and authored by David Albright, Olli Heinonen and Andreas Stricker, claims that the nuclear archives show that Iran originally planned to build five nuclear weapons of 10 kilotons each, by mid-2003.[[4]](#endnote-4) Again they claim that Iran’s plans and accompanying activities were much more extensive than previously revealed.

A third report by ISIS and FDD, published in November, describes the emptying of the Iranian “atomic warehouse”, a second site in Tehran that is alleged to have housed not just paper archives but a range of equipment and material in 15 shipping containers.[[5]](#endnote-5) According to Israeli Prime Minister Benjamin Netanyahu this included 15 kilograms of radioactive material that Iran had since dispersed around Tehran. Satellite imagery obtained and analysed by the researchers reveals that the shipping containers have been removed or dismantled.

The new details of Iran’s nuclear weapons program are disturbing in revealing the true extent of Iran’s past violation of the Nuclear Non-Proliferation Treaty and IAEA safeguards. They also confirm that, as suspected, Iran did not cooperate fully with the IAEA in resolving the PMD aspects of its nuclear program but lied about it. They reveal that the PMD were Actual Military Dimensions. Despite this, the revelations of documents and non-nuclear equipment related to its past activities do not constitute non-compliance with the JCPOA, since that agreement did not require Iran to declare and divest itself of all such materials.

The alleged 15 kg of radioactive material is, however, in a different category. Iran is required to account for all its nuclear material under its comprehensive safeguards agreement and its Additional Protocol, which it is committed to implementing provisionally pending its entry into force. The material should be included in the annual updating of its declaration of nuclear holdings to the IAEA and be subject to Agency verification. It is not clear whether the Agency has engaged the Iranians over the issue, as its periodic reports do not mention it. But the Director General should at least inform the international community whether it is investigating the Israeli allegations and what the Iranian response has been. To date the IAEA’s response has been inscrutable (see update no. 1).

In any event, the JCPOA has a built-in mechanism allowing the IAEA to insist on Iran revealing in detail its past activities involving nuclear material. Under the Additional Protocol Iran is eligible to receive the so-called Broader Conclusion if it can account for all its nuclear material, dating back to its first involvement with nuclear research in the 1970s under the Shah. The IAEA has not revealed whether it has begun this process, but its safeguards conclusion for Iran suggests that it has. Its latest report repeats its previous mantra: “Evaluations regarding the absence of undetected nuclear material and activities for Iran remain ongoing”.

**Outcome of Australia’s Quick Review of its JCPOA Policy Expected in December**

The announcement in October by the new Australian Prime Minister Scott Morrison that his government would review Australia’s support for the JCPOA is unlikely to result in a change. In a carefully worded joint statement the Prime Minister and the Minister for Foreign Affairs, Marise Payne, said that the Government would review, “without prejudice, Australia's approach to the Joint Comprehensive Plan of Action (JCPOA), to determine whether our current policy settings remain fit for purpose. The review will reassess whether the Plan remains the best vehicle to address the international community’s concerns about Iran’s nuclear ambitions”.[[6]](#endnote-6) The statement said the government aimed to finalize and announce the findings of its review by December this year. The short duration of the review and its in-house character make it unlikely that there will be a change. If Australia were to drop its support for the Iran agreement it would be the only country, other than the United States, to have done so. All of Australia’s other allies support it.

**Addendum**

Prime Minister Morrison reportedly mentioned his planned review of Australia’s support for the JCPOA in his meeting with President Trump in Buenos Aires on 30 November in the margins of the G20 summit. It is not clear whether Morrison or Trump raised the issue, but the Prime Minister claimed it as ‘a success’, noting that Trump ‘very much welcomed the fact that, as a friend and an ally, we have always been ready to re-look at these things’.[[7]](#endnote-7) For an analysis of this development see <https://pursuit.unimelb.edu.au/articles/the-risk-of-australia-reconsidering-the-iran-nuclear-deal>

1. IAEA, Board of Governors, Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015): Report by the Director General, GOV/2018/47, Vienna, 12 November 2018. [↑](#endnote-ref-1)
2. Kiyoko Metzler, ‘UN nuclear watchdog says Iran abiding with 2015 deal limits”, 13 November 2018, https://www.apnews.com/544bd03f7f264e47827fba5ca99fa5ff [↑](#endnote-ref-2)
3. David Albright, Sarah Burkhard, Olli Heinonen and Frank Pabian, “New Information About the Parchin Site”, Institute for Science and International Security Report, Washington DC, 23 October 2018. [↑](#endnote-ref-3)
4. David Albright, Olli Heinonen and Andrea Stricker, “The Plan: Iran’s Nuclear Archive Shows It Originally Planned to Build Five Nuclear Weapons by mid-2003”, Copublication of the Institute for Science and International Security and the Foundation for Defense of Democracies”, Washington DC, 20 November 2018. [↑](#endnote-ref-4)
5. David Albright, Olli Heinonen, Frank Pabian and Andrea Stricker, “Revealed: Emptying of the Iranian ‘Atomic Warehouse’ at Turquz Abad”, Copublication of the Institute for Science and International Security and the Foundation for Defense of Democracies, Washington DC, 28 November 2018. [↑](#endnote-ref-5)
6. Minister for Foreign Affairs, Joint Statement, Canberra, 17 October 2018, https://foreignminister.gov.au/releases/Pages/2018/mp\_mr\_181017.aspx?w=E6pq%2FUhzOs%2BE7V9FFYi1xQ%3D%3D. [↑](#endnote-ref-6)
7. David Crowe, ‘Embassy move skirted in talks’, *Sunday Age*, 2 December 2018, p. 3. [↑](#endnote-ref-7)