

Board of Governors

GOV/2014/62

Date: 3 December 2014

Original: English

For official use only

Provisional agenda
(GOV/2014/61)

Monitoring and Verification in the Islamic Republic of Iran in relation to the extension of the Joint Plan of Action

Report by the Director General

A. Introduction

1. On 28 November 2014, the Director General received a letter from China, France, Germany, the Russian Federation, the United Kingdom and the United States of America (the E3+3) and the Islamic Republic of Iran (Iran), on behalf of the E3/EU+3 and Iran, informing the Agency of the further extension of the Joint Plan of Action (JPA) until 30 June 2015 and requesting it to “*continue to undertake the necessary nuclear related monitoring and verification activities in Iran under the Joint Plan of Action, including monitoring of fuel fabrication for the TRR and defined centrifuge related activities*”.¹
2. In light of the above, the Director General requested that a meeting of the Board of Governors be convened on 11 December 2014 to consider the aforementioned request of the E3/EU+3 and Iran, and its funding implications.

¹ GOV/INF/2014/28.

B. Agency Monitoring and Verification

3. For the initial six month duration of the JPA (commencing on 20 January 2014), the Agency conducted monitoring and verification in relation to the following “voluntary measures” undertaken by Iran:

- *From the existing uranium enriched to 20%, retain half as working stock of 20% oxide for fabrication of fuel for the TRR. Dilute the remaining 20% UF₆ to no more than 5%. No reconversion line.*
- *Iran announces that it will not enrich uranium over 5% for the duration of the 6 months.*
- *Iran announces that it will not make any further advances of its activities at the Natanz Fuel Enrichment Plant,ⁱ Fordow,ⁱⁱ or the Arak reactor,ⁱⁱⁱ designated by the IAEA as IR-40.*
 - i. Namely, during the 6 months, Iran will not feed UF₆ into the centrifuges installed but not enriching uranium. Not install additional centrifuges. Iran announces that during the first 6 months, it will replace existing centrifuges with centrifuges of the same type.*
 - ii. At Fordow, no further enrichment over 5% at 4 cascades now enriching uranium, and not increase enrichment capacity. Not feed UF₆ into the other 12 cascades, which would remain in a non-operative state. No interconnections between cascades. Iran announces that during the first 6 months, it will replace existing centrifuges with centrifuges of the same type.*
 - iii. Iran announces on concerns related to the construction of the reactor at Arak that for 6 months it will not commission the reactor or transfer fuel or heavy water to the reactor site and will not test additional fuel or produce more fuel for the reactor or install remaining components.*
- *Beginning when the line for conversion of UF₆ enriched up to 5% to UO₂ is ready, Iran has decided to convert to oxide UF₆ newly enriched up to 5% during the 6 month period, as provided in the operational schedule of the conversion plant declared to the IAEA.*
- *No new locations for the enrichment.*
- *Iran will continue its safeguarded R&D practices, including its current enrichment R&D practices, which are not designed for accumulation of the enriched uranium.*
- *No reprocessing or construction of a facility capable of reprocessing.*
- *Enhanced monitoring:*
 - *Provision of specified information to the IAEA, including information on Iran's plans for nuclear facilities, a description of each building on each nuclear site, a description of the scale of operations for each location engaged in specified nuclear activities, information on uranium mines and mills, and information on source material. This information would be provided within three months of the adoption of these measures.*
 - *Submission of an updated DIQ for the reactor at Arak, designated by the IAEA as the IR-40, to the IAEA.*
 - *Steps to agree with the IAEA on conclusion of the Safeguards Approach for the reactor at Arak, designated by the IAEA as the IR-40.*
 - *Daily IAEA inspector access when inspectors are not present for the purpose of Design Information Verification, Interim Inventory Verification, Physical Inventory Verification,*

and unannounced inspections, for the purpose of access to offline surveillance records, at Fordow and Natanz.

○ *IAEA inspector managed access to:*

- *centrifuge assembly workshops;^{iv}*

iv. Consistent with its plans, Iran's centrifuge production during the 6 months will be dedicated to replace damaged machines.

- *centrifuge rotor production workshops and storage facilities; and*
- *uranium mines and mills.*

4. As indicated in GOV/INF/2014/18, in line with the terms of the extension of the JPA to 24 November 2014, the Agency also undertook monitoring and verification in Iran, of fuel fabrication for the TRR and in relation to the down-blending of Iran's UF₆ enriched up to 2%.

5. The further extension of the JPA until 30 June 2015 entails the continuation of increased monitoring and verification activities by the Agency in line with those conducted since the JPA took effect as well as additional activities requested by the E3/EU+3 and Iran on 28 November 2014.

6. The monitoring and verification in relation to the nuclear-related measures set out in the JPA involves: a significant increase in the frequency of the Agency's in-field verification activities, including access to locations other than those at which the Agency had previously conducted such activities; procurement and installation of more safeguards equipment; more sample analysis; and more analytical work.

C. Resource Implications

7. The Secretariat estimates that the continued and additional monitoring and verification activities until 30 June 2015 will incur additional financial costs to the Agency of approximately €5.5 million.

8. As a result of the Department of Safeguards' continued re-prioritization of some of its work, re-scheduling of certain existing activities and re-allocation of a number of staff, as necessary, about €0.5 million is expected to be available for the purpose of monitoring and verification activities in relation to the JPA, as extended.

9. A further estimated amount of €0.4 million remains available from the resources allocated for the Agency's monitoring and verification activities since 20 January 2014.² Assuming that all contributing Member States agree to the continued use of their unspent contributions, an additional amount of €4.6 million of voluntary extrabudgetary contributions would be required. Therefore, the Director General invites Member States which are in a position to do so to make the necessary funding available for the continuation of the Agency's monitoring and verification in relation to the nuclear-related measures set out in the JPA, as extended until 30 June 2015.

10. In the event of subsequent developments in connection with the JPA, the Director General would re-assess the resource implications and report to the Board of Governors as necessary.

² The activities undertaken by the Agency in relation to the JPA for the period 20 January 2014 to 24 November 2014 required approximately €6.9 million.

D. Reporting

11. The Director General will continue to keep the Board of Governors informed on this matter, including through the provision of monthly reports on the status of Iran's nuclear programme in relation to the JPA, as further extended.

E. Recommendations

12. It is recommended that the Board of Governors:

- (a) take note of the Director General's report; and
- (b) endorse continuation of the Agency undertaking monitoring and verification in relation to the nuclear-related measures set out in the JPA, as further extended, subject to the availability of funds.