

How States Benefit from Amending or Rescinding Small Quantities Protocols

Noah Mayhew and Ksenia Pirnavskaia

What is a Small Quantities Protocol?

A small quantities protocol (SQP) is a legal instrument available to States with safeguards agreements concluded with the IAEA but which have little to no nuclear material and no nuclear material in a facility. It is not a standalone agreement, but rather a protocol to a safeguards agreement, including comprehensive safeguards agreements (CSAs) concluded pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

The purpose of an SQP is to minimise the burden of safeguards implementation on States that qualify for one, while ensuring that safeguards conclusions drawn for States with SQPs remain sound. An SQP does this by suspending many of the inspection and reporting requirements under a CSA while the SQP remains operational.

What is the Modified SQP?

The original SQP text was developed in 1974. Under this now-outdated model, a State qualified for an SQP if it had no nuclear material in a facility and the quantities of nuclear material in the entire State were below the thresholds defined in paragraph 37 of INFCIRC/153 (Corr.).

Under the 1974 SQP model, most reporting and all inspection provisions of the safeguards agreement were suspended or “held in abeyance” for the State concerned until it rescinded its SQP or it no longer qualified. Important provisions held in abeyance under the 1974 model are those requiring an initial report of nuclear material in the State and those for ad hoc and special inspections; as such, the IAEA could not verify that the State indeed qualified for the SQP. In effect, this meant that the IAEA would conclude the SQP in the absence of any information calling into question the State’s eligibility.

WHY SHOULD A STATE AMEND OR RESCIND ITS SQP?

There are institutional, political, and technical benefits for a State with an outdated SQP to amend or rescind it.

Institutional Benefits

- **Increased coordination between government bodies in the State**
- **Increased knowledge of the government of activities taking place in the State**

Countries with SQPs are often developing countries with little to no nuclear activities and may not have legislative or regulatory infrastructure. As the process of amending or rescinding an outdated SQP entails submitting an initial report on nuclear material and facilitating inspections, it can lead to increased coordination between government offices and result in more knowledge by the State of nuclear-related activities on its territory.

Receiving the internal authorisation to amend or rescind an SQP too involves liaising between various government bodies that may not otherwise coordinate. This process benefits greatly from a “safeguards champion” – an individual or group who understand the benefits of high safeguards standards and often do much of the work of getting an SQP amended or rescinded. This is especially true in countries with no nuclear activities that are often unfamiliar with nuclear non-proliferation issues.

As the implementation of a ModSQP and an additional protocol (AP) pose similar challenges to States with little experience in safeguards reporting, it is beneficial for countries to amend or rescind their old SQPs while implementing an AP. Taking these steps simultaneously is efficient and generates further opportunities for government bodies to improve coordination. This is because to implement a ModSQP (as well as an AP) countries must do due diligence on the nuclear-related activities within their private sector and research institutions.

These deficiencies of the original SQP model were first noted in the Safeguards Implementation Report for 2003. In 2005, following efforts by the Member States and the Secretariat, the Board of Governors found that the 1974 SQP model constituted a weakness in the safeguards system - it was too easy to qualify for and suspended too many CSA provisions for inspections and reporting.

Rather than eliminate SQPs altogether, the Board approved a modified text (ModSQP), which suspends fewer provisions of a State's CSA. Among the retained provisions are the requirement to submit an initial report on nuclear material and the IAEA's right to conduct inspections. Moreover, a State with a ModSQP must notify the IAEA if it decides to construct or authorise construction of a nuclear facility. At this point, the SQP becomes non-operational.

After the Board approved the ModSQP, the Director General sent letters to all States with operational SQPs, calling on them to either amend their SQPs to the new model or rescind them. The IAEA continued this outreach through its Plan of Action to Promote the Conclusion of Safeguards Agreements and Additional Protocols. The Director General has since renewed this call, as documented in General Conference resolutions, and again sent letters to the remaining States with outdated SQPs. He stressed that the Secretariat stands ready to provide assistance to States in amending or rescinding their SQPs and in establishing and improving State systems of accounting for and control of nuclear material (SSAC).

The IAEA has emphasised in recent years that its ability to draw credible annual safeguards conclusions for States with outdated SQPs is becoming more challenging, due to the provisions suspended under the old text. Therefore, this issue is becoming increasingly urgent.

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Political Benefits

- **Elevated status in the eyes of neighbours, allies, and strategic competitors of a State**
- **Pressure on neighbours to amend or rescind, contributing to regional security**
- **Opportunities to weigh in on non-proliferation policy decisions made in international bodies, considering the State's adherence to high safeguards standards**

Safeguards provide credible assurance that a State's nuclear activities remain peaceful. These assurances are important not just for the international community (as seen by many calls by the IAEA General Conference and NPT Review Conferences), but also in a geopolitical context; they help to alleviate concerns of a State's neighbours, allies, or strategic competitors that there may be secret nuclear activities taking place. These assurances can help a State build closer relationships, built on mutual trust, with other countries. technology.

Demonstrating strong commitments to non-proliferation norms, including by rescinding or amending an outdated SQP and concluding an AP, can help elevate a country's status on the global stage by sending the message "we have nothing to hide." Showing a commitment to non-proliferation in national policy in this way allows States to increase their credibility on the international stage and more effectively participate in institutions such as the IAEA. In adhering to these recognised international safeguards standards, States can avoid being some of the last to do so, unintentionally signalling a low priority for non-proliferation. As of April 2022, of the 96 States with operative SQPs in force, 26 retain the outdated text.

Although amending or rescinding an SQP is often a political decision, national regulators, national liaison officers and interested parties based at diplomatic missions in Vienna can request the IAEA to support the process, as well as the implementation of the obligations that follow. Knowing the political landscape in their capitals, these "safeguards champions" can help coordinate meetings in capital that include all relevant stakeholders in the State's government such that awareness can be raised on the importance of this issue and how the process would work.

Technical Benefits

- **Improved ability of the IAEA to draw sound safeguards conclusions for the State, contributing to the Agency's ability to draw the broader conclusion**
- **Increased opportunity to work more closely with the IAEA, including on peaceful uses**

As noted, the IAEA does not receive initial reports on the inventory of nuclear material in a State and cannot conduct inspections under an outdated SQP. As such, drawing safeguards conclusions for those States is challenging. Rescinding or amending outdated SQPs not only gives the IAEA the tools it needs to draw such conclusions, but it also increases opportunities for the State concerned to cooperate with the IAEA, including on the peaceful application of nuclear science and technology.

The IAEA draws safeguards conclusions based on three kinds of information: (1) reports provided by the State; (2) results from in-field verification activities such as inspections; and (3) other sources of information, such as open-source and third-party information. The first two categories comprise the vast majority of information used by the Agency to draw safeguards conclusions. However, in States with SQPs based on the original text, those two categories are unavailable to the IAEA. Amending or rescinding outdated SQPs allows the Agency to make full use of the primary information sources to draw safeguards conclusions.

This helps the State substantiate its commitment to non-proliferation. Moreover, the pathways created by the State liaising with the IAEA, including assistance with the initial declaration, coordinating in-field activities, and any assistance the IAEA provides in this regard, benefit the State in other areas too, as different IAEA departments are often liaising with the same country in different contexts. This can facilitate increased technical cooperation between the IAEA and the State.

How to Amend or Rescind an Outdated SQP?

Once a State with an outdated SQP decides to amend or rescind it, the State should write to the IAEA, informing them of its decision. Initial contact is often made via email, but the original SQP is only officially amended or rescinded when an original paper copy of the letter, in which the State accepts the full terms of the ModSQP, is received and acknowledged by the IAEA. Usually, this letter comes from a Head of State or Minister of Foreign Affairs, though prior internal approvals may be required by different Ministries and authorities. The letter can also come from any other government official with full powers to sign, such as a Resident

Representative to the IAEA. It is often helpful for “safeguards champions” who understand the governmental structure of the State to explain the benefits of SQP amendment or rescission.

The IAEA Department of Safeguards provides guidance on what an initial declaration should contain and when it should be submitted (i.e., within 30 days of the last day of the month in which a ModSQP enters into force). Particularly important is the establishment of a responsive point of contact for safeguards matters, which as of the end of 2021, a quarter of States with operative SQPs had not identified.

What Other Resources Are Available?

IAEA Guidance on Safeguards Implementation Guide for States with Small Quantities Protocols (IAEA Service Series 22)

<https://www.iaea.org/publications/10493/safeguards-implementation-guide-for-states-with-small-quantities-protocols>

IAEA SSAC Advisory Service

Email: official.mail@iaea.org

<https://www.iaea.org/services/review-missions/iaea-ssac-advisory-service>

Information about IAEA Training

<https://www.iaea.org/topics/assistance-for-states/safeguards-training>

Comprehensive Capacity-Building Initiative for SSACs and SRAs (COMPASS)

Email: B.Ribeiro@iaea.org

<https://www.iaea.org/topics/assistance-for-states/compass>

Plan of Action to Promote the Conclusion of Safeguards Agreements and Additional Protocols

<https://www.iaea.org/sites/default/files/21/09/sg-plan-of-action-2020-2021.pdf>