



TO THE COMPREHENSIVE AGREEMENT AND BEYOND: IDEAS FROM RUSSIA AND THE USA

Policy memo

Andrey Baklitskiy, Coordinator, «Russia and Nuclear Nonproliferation» Program
Russian Center for Policy Studies (PIR Center)

Russian-US working group on Iranian nuclear issue was established in November of 2013 by the Russian Center for Policy Studies (PIR Center) and the Near East South Asia Center for Strategic Studies (NESAS). The aim of the group was to support the positive dynamics of the process of negotiations between Iran and P5+1 and contribute to reaching of the Comprehensive agreement on the Iranian nuclear program. First meeting of the group took place in Gstaad, Switzerland on January 27-29, 2014. This memo is based on the summary of the meeting; it reflects the major points of the discussion but does not represent any kind of consensus

The main issues of concern on the Iranian track could be boiled down to four main questions:

- 1) How the Iranian nuclear program should look like under the comprehensive agreement?
- 2) What would be the optimal way of removing sanctions?
- 3) What can be done to further engage Iran and the international community to provide verification and empower constructive forces on both sides?
- 4) In what way the regional dynamics can help to reach a sustainable agreement with Iran?

There was a pretty strong convergence of views on the **future of the Iranian nuclear program**. All members of the group agreed that the right of Iran for uranium enrichment should be recognized formally or informally under mutually accepted conditions. No viable option was seen for shutting down the Arak heavy water reactor. Instead the reactor should be modified in order to produce less plutonium. No reprocessing facilities should be allowed. Iran should implement the strictest IAEA verification regime. A number of other steps by Iranian side should be encouraged (like ratification of the Comprehensive Nuclear-Test-Ban Treaty

Convention on Nuclear Safety, Vienna Convention on Civil Liability for Nuclear Damage and Convention on the Physical Protection of Nuclear Material etc).

For a certain period of time Iranian nuclear program will be limited beyond the NPT requirements. A cap will be put at Iranian overall stock of LEU, limitation will be put on the number of Separative work units (SWU) that Iranian enrichment program counts with. Overall nuclear capacity of Iran might be limited by its exact and justified needs. The possible military dimensions of Iranian nuclear program should be examined by the IAEA. However, in case the past activities remain the only pending issue on the agenda, they might be skipped.

Inviting IAEA Director General to the meetings between Iran and P5+1 as an observer, and joint briefings at the sessions of the IAEA Board of Governors might prove beneficial for the process. Reinforcing the Iranian commitments not to acquire nuclear weapons through the Islamic framework (like appealing to anti-nuclear fatwa) could also be useful.

Regarding the **issue of sanctions** there also was a rather strong unity among the Russian and the US participants. Pretty much everybody agreed that introduction of new nuclear-related sanctions against Iran at the current moment would be a mistake, and the Comprehensive agreement should be accompanied by the lifting of all of the sanctions of this kind. As lifting the UN SC sanctions should be the part of any Comprehensive agreement, a Security Council resolution with the precise timetable and conditions for lifting the sanctions should be passed prior to reaching such an agreement.

Dealing with the US sanctions, it will be more prudent to start with those that do not require congressional action, and can be dismantled with the executive orders or waivers. Successfully trading those sanctions for concessions on the part of Iran, could get the Capitol Hill on board. Putting together a list of the issues that can be disrupted if new US sanctions against Iran are introduced, might also influence the US Congress and secure the negotiating process.

One of the key issues for bringing sustainability to the Comprehensive agreement will be **engaging Iran and increasing cooperation** between Tehran and the international community. This engagement could be pursued in nuclear-related spheres and include:

- advising Iran on the best energy mix and on the building of the nuclear plants through the IAEA International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO);
- replacing the obsolete core of Tehran research reactor;

- running programs on WMD nonproliferation and nonproliferation education in the Middle East with Iranian participation (e.g. in the context of the G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction);
- organizing nuclear safety and nuclear security exercises in the Middle East with Iranian participation (those might include *Bushehr* NPP stress tests) and inviting Tehran to the Nuclear Security Summits;
- trading contracts for shipment of natural uranium to Iran for cooperation in other spheres;
- elaborating on the opportunity of the USA buying enriched uranium for its nuclear power plants from Iran;
- aiming, in the long term, at implementation of joint programs (by Russia, the USA, or both) in the nuclear sphere in the Middle East with Iranian participation.

In the process of the technological cooperation, sharing of the sensitive technologies should be carefully examined.

Areas of non-nuclear related engagement could include:

- bringing Iran to the regional structures (e.g. Shanghai Cooperation Organisation);
- working on Iranian dossier at Financial Action Task Force on Money Laundering (FATF) and reintegration of Iran into the international financial system;
- accelerating Iranian accession to the World Trade Organization.

There is a numbers of reasons, why **the countries of the region** will not be directly invited to the negotiating table and why the regional issues will not be included into the Comprehensive agreement. In the end, President Rouhani received a mandate to negotiate on the nuclear issues not on the Syria, Lebanon, Iraq etc., where other power centers in Iran are involved. However, the states in the Middle East should be at least informed of the process. And this does not mean they can't play an important role.

Third parties could provide technical support for implementing and verifying the provisions of the agreement, play an important role as the intermediaries (Kazakhstan, Oman, etc.), back the US executive in its struggle with the Congress over new sanctions against Iran.

There is also a number of collective activities that can solve some aspects of the Iranian nuclear issue. Regional agreement, prohibiting the use of force (including

cyberattacks) or the threat of use of force against the nuclear installations placed under the IAEA safeguards could be pursued. The countries in the region could also increase their support for the establishment of a Weapons of Mass Destruction-Free Zone in the Middle East.

Another regional project could include organizing a joint stock company for uranium enrichment (as in the case of URENCO, Eurodif, or International Uranium Enrichment Center) based on the existing Iranian nuclear fuel cycle (it can be an extraterritorial zone under the UN/IAEA auspices) where regional states can have shares is a promising idea. Internationalizing and regionalizing the nuclear fuel cycle would strengthen cooperation in the region. External managers on the board will add to the transparency of the Iranian nuclear program.