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# RUSSIA

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Andrey Baklitskiy reports from Moscow:

ONE LAST STEP TO REACH THE DEAL: RUSSIAN-US RECOMMENDATIONS  
FOR THE COMPREHENSIVE AGREEMENT ON THE IRANIAN NUCLEAR ISSUE

ANNOTATION

*Less than two months lie between now and July 20, 2014 when, according to the deal reached last November, a comprehensive agreement between Iran and P5+1 should be signed. Prior to the November 2013, the talks on the Iranian nuclear issue had been ongoing for more than a decade with no apparent success. Since January 2014, when the interim agreement came into force, Teheran stopped developing its nuclear program, decreased its stocks of 20% enriched uranium by four fifth, suspended the work on its heavy water research reactor in Arak and started providing the International Atomic Energy Agency (IAEA) with the information related to possible military dimension of its nuclear program. During the latest round of talks the parties have negotiated several parameters of the future comprehensive agreement.*

*At the same time, the most difficult part of the talks still lies ahead. Iran and P5+1 will have to agree on the final composition of Iranian nuclear program, sanction relief, addressing the IAEA concerns over past clandestine activities of Teheran. The stakes are high, the parties negotiate on «nothing is agreed until everything is agreed» premise, which means that all of the latest achievements could be nullified by a deadlock on any of the issues on the table.*

*Russia and the US share common responsibility to support the positive dynamics of the whole process and to prepare the Comprehensive agreement on the Iranian nuclear program. To contribute to promoting those goals, in November 2013 the Russian Center for Policy Studies (PIR Center) and the Near East South Asia Center for Strategic Studies (NESAS) established a high-level Russian-US working group on Iranian nuclear issue. The meeting of the group in Gstaad, Switzerland on January 27-29, 2014 and the work of the group coordinators in May 2014 resulted in a number of recommendations aimed at bringing solution to the Iranian nuclear issue. Those are summarized below by the coordinator from the Russian side, PIR Center's Information Program director Andrey Baklitskiy. The recommendations do not represent any kind of consensus; however they reflect the discussion between the group members.*

## THE FUTURE OF IRANIAN NUCLEAR PROGRAM UNDER THE COMPREHENSIVE AGREEMENT

One of the key issues that will have to be solved during the negotiations is the composition of the Iranian nuclear program under the comprehensive agreement.

Some of the recommendations on the matter is quite obvious. Arak heavy water research reactor should be converted into the light water one or modified in order to produce less plutonium. No reprocessing facilities should be allowed in Iran. There are no discussions on the relation between Iran and the IAEA: Iran should ratify Additional Protocol to its IAEA Comprehensive Safeguards Agreement and start applying modified code 3.1 of the Subsidiary Arrangements General Part to country's Safeguards Agreement.

There is a consensus that at the current stage the enrichment level and capacity as well as overall nuclear potential of Iran should be limited. The limitations will include a cap at Iranian overall stock of LEU of 3,5% enrichment in order to block the so called *uranium pathway* to producing nuclear weapons. Another limitation should be put on the number of separative work units (SWU) being at the Iranian enrichment program disposal, not on the number of centrifuges, as the latter can have different SWUs per year or month depending on the type of the centrifuge.

Since the limitations on the Iranian nuclear program that go beyond the NPT should be aimed at showing the peaceful nature of the program, they cannot be everlasting. The exact time limits are still debated and range from a couple of years to a decade. An acceptable compromise could be seven years period that was necessary for the IAEA to reach a broader conclusion of no undercover activities in South Africa's case.

*One obvious stumbling block would be the past activities and possible military dimension of Iranian nuclear program. On the one hand, those issues should be thoroughly examined by the IAEA. On the other hand, if the past activities of Iran would remain the only pending issue, and the concluding of the comprehensive agreement would be at stake, the parties might decide not to take the risk of the talks collapse.*

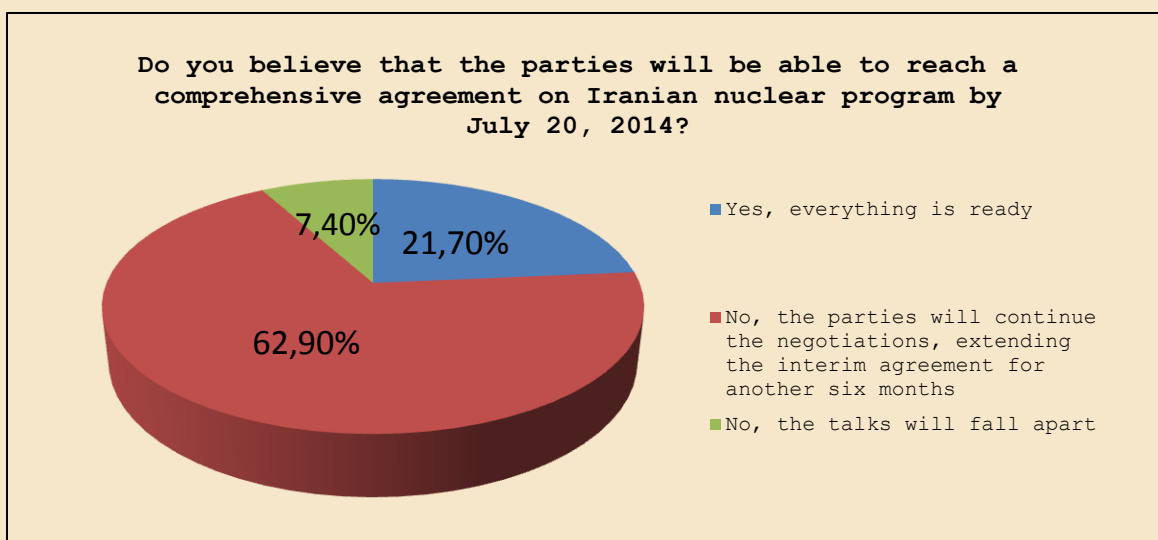


Chart 1. Poll results from PIR Center's website [www.pircenter.org](http://www.pircenter.org) and social networks accounts, 13.05.2014 - 01.06.2014.

There are a number of issues that are not directly dealing with the Iranian nuclear program but are nevertheless important for the stability of the comprehensive agreement and could be included in the document. For example, as Iran on numerous occasions stated to be not interested in obtaining nuclear weapons, there should be no problem for the country to ratify the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and to enable the work of the monitoring stations on its territory. It could become a good confidence building measure. Taking into consideration the regional context, Iranian ratification would have better chances for passing with parallel ratification of CTBT by Egypt and Israel. Another positive step could be Iranian ratification of Convention on Nuclear Safety, Vienna Convention on Civil Liability for Nuclear Damage and Convention on the Physical Protection of Nuclear Material.

There is an option of inviting the IAEA Director General to the meetings of Iran and P5+1 as an observer. It can become especially relevant if the negotiations would not be able to produce the comprehensive agreement till July 20, 2014 and the interim agreement would be extended for another half year. This would further integrate the agency in negotiating process and help clarifying IAEA's role within the comprehensive agreement. Along the same lines, Iran and the members of P5+1 could give joint briefings at the sessions of the IAEA Board of Governors. This will increase the transparency of the process, show the unified position of negotiating parties and serve as a confidence building measure.

Finally, the Islamic framework can be used to reinforce the Iranian commitments not to acquire nuclear weapons. Iranian Supreme Leader Ali Khamenei many times publicly spoke against nuclear weapons and even issued a fatwa against the production and use of those. Including reference to the fatwa in the preamble to agreements with Iran or coming up with similar approach could prove useful.

#### REMOVING SANCTIONS

While the P5+1 are mainly concerned with blocking the ways through which Iran could acquire nuclear weapons, for Teheran the key reason for negotiations is evidently removing the sanctions.

***General approach to sanctions issue stems from an understanding that introduction of new nuclear-related sanctions against Iran at the current moment or at any point while the parties negotiate in good faith would be a mistake and could break up the negotiating process. It also means that once the comprehensive agreement with Iran is concluded, there should be no new nuclear-related sanctions imposed on the country.***

There are however specific issues related to sanctions removal that remain to be addressed.

As the big part of the US sanctions against Iran are multipurpose and involve different goals apart from solving the nuclear issue, they will be harder to revoke, compared with the sanctions introduced by the UN Security Council and the EU. In order to deal 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. Once the White House will start successfully trading the sanctions for concessions on the part of Iran, the Capitol Hill might accept the benefits of the process and go along.

The UN Security Council sanctions against Iran should be lifted once the regime of strict long term IAEA inspection is introduced. Taking into consideration that removing the UN SC sanctions should be a 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.

Finally, there is an idea put forward that current sanctions against Iran (both international and unilateral) could be suspended not removed. The suspension would require yearly renovation conditioned by a certification that Teheran is not involved in hidden nuclear activities. Such mechanism would have better chances passing through the US Congress, however reservations remain on whether such mechanism would be acceptable for Iran.

#### ENGAGING IRAN WITH THE INTERNATIONAL COMMUNITY

To understand how the relations might develop between the Teheran and the international community (and the West particularly) we should keep in mind two basic circumstances.

**First** of all, we must understand that the Geneva agreement remains very fragile since it became possible only because of the unified position of P5+1. All the actions that could provoke tensions between the members of the group (e.g. introducing new sanctions against Iran, circumventing current sanctions regime) will undermine the negotiating process.

**Second**, the comprehensive agreement will lack sustainability if not coupled with Iranian integration into the international community. There are a number of measures that could help foster this integration and be implemented in the near future. Within this category falls, for example, a greater engagement with Iran within the IAEA International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO). In the INPRO framework Iran could be advised on the best energy mix and on the building of the nuclear plants. The core of Tehran research reactor is obsolete and could be replaced with the technical assistance from the IAEA, Russia, and the US. Organizing nuclear safety and security exercises in the Middle East with Iranian participation (those might include Bushehr NPP stress tests) can help reduce fears of Iranian neighbors and decrease tensions in the region. It would also make a lot of sense to invite Iran to the next Nuclear Security Summit in Washington in 2016.

As Iran does not possess enough natural uranium for its nuclear program, contracts for shipment of natural uranium under the strict international monitoring would become a sign of good will in the negotiations. Furthermore, there is an opportunity of the US to buy enriched uranium for its nuclear power plants from Iran. This would play well with Iranian pride and could shift the relations between two countries from the politics and ideology to economy. Being a customer could give the United States the possibility to put forward some recommendations and conditions when it comes to uranium enrichment.

*In the long term it would be wise to aim at implementation of joint programs (by Russia, the US, or both) in the nuclear sphere in the Middle East with Iranian participation. Those programs should be economically viable and should demonstrate the transition from confrontation to the cooperation in the region.*

A good addition to the nuclear related negotiations would be enhancing cooperation with Iran to help moving the country out of Financial Action Task Force on Money Laundering black list and step-by-step reintegrate Iran into the international financial system. The same is true regarding the help to accelerate Iranian accession to the World Trade Organization.

## REGIONAL DYNAMICS

Up to now other Middle East countries were not invited to the table to negotiate the comprehensive agreement. It seems that this will further remain a prevailing trend, i.e. isolating the nuclear and regional tracks.

*At the same time, the very process of trust-building between the P5+1 and Iran caused some significant shifts in the regional politics (e.g. in relations between Iran and Saudi Arabia, Iran and Israel). Countries of the region could be further engaged in the process of normalizing the relations; they can also play a role in a comprehensive agreement. Third parties could provide technical support for implementing and verifying the provisions of the agreement. There is a number of states that have played and could play an important role as the intermediaries (Armenia, Kazakhstan, Oman, etc.). Other countries can lobby the US Congress to support the comprehensive agreement with Iran.*

Despite the tentative success on the nuclear track, the West should not take for granted Iranian cooperation on other issues. As the Army of the Guardians of the Islamic Revolution (not president Rouhani) controls the Iranian foreign policy towards the key points in the region (e.g., Syria, Lebanon, Iraq, etc.), it will make a broader regional cooperation with Iran more difficult.

Nevertheless, there are several key frameworks that can be defined among the possible areas for regional cooperation.

- With the fast development of the nuclear infrastructure in the region the issue of the nuclear safety and security gains prominence. A lot of Middle East states would be interested in reaching a regional agreement prohibiting the use of force (including cyberattacks) or the threat of use of force against nuclear installations placed under the IAEA safeguards. The agreement could be initiated through the regional dialogue or through the UN Security Council. This would make Iran less concerned with its security, bring incentives for all countries of the region to cooperate with the IAEA and start the process of developing military confidence building measures in the Middle East.
- Another framework for the dialogue of Iran and its regional rivals could be created within the process of the establishment of a Weapons of Mass Destruction-Free Zone (WMDFZ) in the Middle East. In this way, WMDFZ talks could bring sustainability to the comprehensive agreement. To support the process Russia and the US should pursue active diplomatic involvement and bring their allies in the region to the negotiating table. In this context Russia, the US as well as other P5 members could provide negative security assurances to the countries in the Middle East including Iran.
- Finally, 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 where regional states can have shares, remains 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.

The author of this article is Andrey Baklitskiy, PIR Center's Information Program Director and "Russia and Nuclear Non-Proliferation" Program Coordinator.

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[...]  
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[...]  
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[...]  
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The Club's doors are always open for you and your colleagues!

Best regards

**Dmitry Polikanov**  
**Chairman**  
**Trialogue Club International**

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<b>10%</b>	for 1 new corporate Club member
<b>10%</b>	for 2 new individual Club members
<b>15%</b>	for 3 new individual Club members
<b>20%</b>	for 4 or more new individual Club members
<b>20%</b>	for 2 new corporate Club members
<b>30%</b>	for 3 new corporate Club members
<b>35%</b>	for 4 and more new corporate Club members

<b>Option 2 – Lump-sum compensation in cash</b>	
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<b>200 USD</b>	for 2 new corporate Club members
<b>300 USD</b>	for 3 new corporate Club members
<b>500 USD</b>	for 4 and more new corporate Club members