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THE IRANIAN DEAL: OPPORTUNITIES AND OBSTACLES FOR RUSSIAN-US COOPERATION

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The authors took the lead in writing different sections and may not fully agree with all the points raised in the paper but welcome, along with the editors, the opportunity to promote expert dialogue on this critical issue.

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EXECUTIVE SUMMARY

On July 14, 2015, the United States, Russia, China, France, UK, Germany, the European Union and Iran concluded the Joint Comprehensive Plan of Action (JCPOA), commonly known as the “Iran deal,” with the goal of ending the standoff over the Iranian nuclear program. If fully implemented, the JCPOA would significantly restrict Iran’s ability to rapidly manufacture a nuclear weapon. US-Russian cooperation is paramount for achieving its successful implementation.

Several challenges could prevent the JCPOA’s effective execution.

The JCPOA is not an internationally binding treaty but instead a voluntary course of action. Its prospects depend on whether the parties continue to perceive their individual interests in fulfilling their terms.

Changing international or domestic concerns may lead one party to withdraw unilaterally from the JCPOA. In particular, there will soon be a change in the top leaders of Iran and the United States; their successors may hold different views regarding the deal.

Furthermore, Western leaders and some of their local allies continue to object the Iranian government’s domestic and foreign policies. Russia does not believe these concerns warrant sanctioning Iran to the point of jeopardizing the more important nuclear deal.

Geopolitics and Middle Eastern power struggles could further endanger the JCPOA since these remain a source of tension between Iran and the US. For example, the United States is continuing to apply sanctions on Iran for non-nuclear reasons, especially Iran’s ballistic missile program, which may stress the plan in the future. Russian leaders doubt US justification for European missile defenses that posit an Iranian missile threat.

The JCPOA contains a “snap back” mechanism, which allows the UN to reinstate all nuclear sanctions should Iran violate the agreement. However the previously sophisticated web of sanctions will be nearly impossible to recreate.

Russia-US cooperation is essential for successfully implementing the deal. The Russian and US governments have a long track-record of cooperation in addressing nuclear proliferation challenges. Neither country wants Iran to have nuclear weapons. Russia has a commercial interest in the success and safety of Iran’s civil nuclear program, and this relationship would give Russia leverage to discourage the Iranian nuclear weapons program. US security ties with Iran’s Arab neighbors help dampen their incentives to pursue nuclear weapons. Russia and the US can provide critical support for the International Atomic Energy Agency for enforcing the JCPOA and regarding other Agency objectives.

The success of the Iran deal would set a strong precedent for nonproliferation cooperation and hopefully lay the foundation for future international collaboration on nonproliferation efforts.

INTRODUCTION

On July 14, 2015, Russia and the United States, along with China, France, Germany, the United Kingdom, and the European Union (EU), signed the Joint Comprehensive Plan of Action (JCPOA)¹ with the Iranian government in Vienna. The JCPOA aims to end the decade-long standoff over the Iranian nuclear program. It was preceded by an interim Joint Plan of Action of November 2013² and by a special procedure whereby the International Atomic Energy Agency (IAEA) sought to clarify Iran's past and present nuclear activities.

The JCPOA became possible thanks to a particular combination of factors, including the pressure from international sanctions on Tehran, the elections of Hassan Rouhani and Barack Obama as the Iranian and the U.S. presidents eager to secure a nuclear deal, and the sustained cooperation between the Russian Federation and the West on the Iranian nuclear issue despite major tensions over other issues.

BASIC TERMS

Implementation of the JCPOA, which is mutually conditional, will significantly restrict Iran's uranium enrichment capabilities (for example, by limiting its enrichment level to 3.67%, cutting Iran's number of centrifuges, placing a ceiling on its heavy water stockpile, and reducing Iran's total stock of enriched uranium. Iran's underground Fordow enrichment center will become solely a research facility while the Arak heavy-water reactor will be modified to produce less plutonium).

Iran has also agreed to apply voluntarily the Additional Protocol (AP) to its IAEA safeguards agreement (aiming for its future ratification by the Majlis). The AP provides the Agency with enhanced monitoring and access capabilities. In addition, Iran accepted the modified code 3.1 to its Subsidiary Arrangements, under which Tehran will immediately inform the IAEA about its construction of any new nuclear facilities. Iran also agreed to cooperate with the Agency to clarify its past and present nuclear activities. Iran will regularly inform the IAEA of its stock of uranium and number of centrifuges.

For 15 years, Iran can import items that could be used for a nuclear program only with the approval of the specially created Joint Commission. During this period, Iran will not reprocess the spent nuclear fuel from its reactors; will not possess highly enriched uranium (HEU) or weapons-grade plutonium, and will not have uranium and plutonium in metallic form. For 10 years, Iran will limit enrichment-related research to gas centrifuge technology and submit an annual plan of its enrichment-related activities, which the IAEA will confirm that Iran follows.

In return, UN Security Council (UNSC) Resolution 22313 has superseded previous UNSC resolutions sanctioning Iran over its nuclear program, though the new resolution

¹ <http://www.state.gov/e/eb/tfs/spi/iran/jcpoa/>.

² http://eeas.europa.eu/statements/docs/2013/131124_03_en.pdf.

³ https://www.iaea.org/sites/default/files/unsc_resolution2231-2015.pdf.

still maintains a list of sanctioned individuals and entities.⁴ The EU has terminated all its unilateral sanctions against Iran, while the Obama Administration has ceased applying its nuclear-related sanctions on Iran.⁵

SIGNIFICANCE

The Iranian nuclear program started under the framework of The US Atoms for Peace initiative. In 1967, Washington supplied Iran with a 5-megawatt nuclear research reactor.⁶

The next year Tehran signed the Nuclear Non-Proliferation Treaty (NPT) and placed its nuclear program under IAEA safeguards. In 1970s, German Kraftwerk Union started construction of two light water reactors for the Bushehr nuclear power plant, and Iran purchased a 10% stake in Eurodif, a European consortium for uranium enrichment. However, the Islamic Revolution of 1979 ended Iranian nuclear cooperation with the West. In the 1980s, Iran resumed its nuclear program and continued it through the 1990s despite international opposition due to concerns that Iran sought to develop nuclear weapons.

In 2002, Iranian dissidents informed the world about Iran's construction of undeclared nuclear-related facilities in Natanz and Arak.⁷ Tehran denied any wrongdoing, arguing that it was not obliged to disclose the sites under its international commitments. However, the revelations raised concerns over possible military dimensions (PMD) to the Iranian nuclear program. Subsequent negotiations to address PMDs took more than a decade to finalize.

At the beginning, negotiations included Iran and three European countries (Germany, France and the UK), but subsequently China, Russia, and the United States joined, forming in 2006 the P5+1 format. In the course of the talks, both Iran and the group of international negotiators repeatedly changed their positions amidst mutual accusations of bad faith. Other efforts to reach an agreement, such as by Brazil and Turkey in 2010, failed.⁸ Russia and China also urged compromise, and Russia helped complete the Bushehr plant only after Iran agreed to obtain its uranium fuel from Russian sources and return the spent fuel to Russia.⁹

Meanwhile, Iran steadily developed its nuclear program, mastering higher levels of uranium enrichment, increasing the number of centrifuges in operation and opening a fortified underground

⁴ http://www.un.org/en/sc/2231/2231%20List_17%20Jan.pdf.

⁵ For a more detailed description of the agreement's terms please see <https://www.armscontrol.org/reports/Solving-the-Iranian-Nuclear-Puzzle-The-Joint-Comprehensive-Plan-of-Action/2015/08/Appendix-A-Summary-of-the-Key-%C2%ADComponents-of-the-JCPOA>.

⁶ <https://treaties.un.org/doc/Publication/UNTS/Volume%20614/volume-614-I-8866-English.pdf>.

⁷ <http://2001-2009.state.gov/r/pa/prs/ps/2003/20439.htm>.

⁸ <http://www.theguardian.com/world/julian-borger-global-security-blog/2010/may/17/iran-brazil-turkey-nuclear>.

⁹ http://www.rosatom.ru/resources/03a10680462aa521b6ecf6d490c073ed/protocol_russia_iran_rus.pdf.

enrichment facility in Fordow. The international community responded by increasing pressure, with the UNSC passing six resolutions, four with increasingly harsh sanctions.¹⁰

Unilateral US and EU sanctions effectively cut Iran off from the international financial system and severely limited its oil exports. There were also unaccounted for killings of Iranian nuclear scientists and the unattributed release of the Stuxnet computer virus, in Natanz, where it disabled about one thousand centrifuges. Presidents George W. Bush and, less vocally, Obama insisted that no options for preventing Iran from obtaining a nuclear weapon were “off the table”. In September 2012, Israeli Prime Minister Benjamin Netanyahu threatened to launch an attack against Iranian nuclear facilities in case Tehran acquired a bomb’s worth of uranium enriched to 19.75%.¹¹

Against this background, secret talks started between Washington and Tehran in 2012.¹² But it did not bear much fruit before Rouhani was elected president in August, 2013. The new Iranian Administration made finding a solution to the nuclear issue its top foreign-policy priority. On November 24, 2013, Iran and the P5+1 reached an interim agreement, known as the Joint Plan of Action, which exchanged limitations on the Iranian nuclear program for sanctions relief. It took the parties another twenty months and a number of missed deadlines to finalize the JCPOA due to the complexity of the issues and domestic and international opposition to an agreement by many parties.

It is crucial that the United States, the Russian Federation, and other countries cooperate effectively to make the JCPOA and other measures succeed in averting an Iranian nuclear weapons program. The agreement became the first case in which a country subject to Chapter VII sanctions by the UN Security Council has exited them through diplomacy rather than war.¹³ Successful execution would create a strong precedent for nonproliferation cooperation despite the great-power tensions over other issues as well as build a stronger foundation for future collaborative nonproliferation efforts. Furthermore, these countries and the relevant key multinational institutions—such as the IAEA and the United Nations can learn useful lessons throughout the process to better manage other nuclear threats, such as the nuclear program of the Democratic People’s Republic of Korea (DPRK).

Whatever these Middle East countries might say about the need for the US, Russia, and the other countries possessing nuclear weapons to make more extensive progress in nuclear disarmament, there is no evidence that their nuclear weapons policies have had any direct impact on the nuclear weapons decision-making of the current non-nuclear-weapons-states. If Iran were to pursue nuclear weapons, however, that would have a more direct effect. Even credible evidence of cheating on the JCPOA short of actual nuclear weapons research and development might induce one of more other Middle East states to pursue nuclear weapons capabilities as a hedge and, in the case of Saudi Arabia, to negate Iranian claims for primacy based on a nuclear capacity.

Supporters of the Iran deal hope that the JCPOA will provide a pathway for the DPRK and other countries to abandon nuclear weapons ambitions without the use of force. It is true that

¹⁰ <https://www.iaea.org/newscenter/focus/iran/iaea-and-iran-un-security-council>.

¹¹ <http://www.un.org/apps/news/story.asp?NewsID=43088>.

¹² <http://www.wsj.com/articles/iran-wish-list-led-to-u-s-talks-1435537004>.

¹³ <http://www.al-monitor.com/pulse/originals/2015/07/mohammad-javad-zarif-interview-post-deal-balconey.html>.

widespread adoption of JCPOA-style intrusive inspections, with continuous surveillance and complete access throughout the production chain, and mandatory application of the AP, would strengthen the ability to monitor the violations of the NPT and also reduce Iranian complaints about being singled out for exclusive nuclear limits. Obama rightfully said that the JCPOA offers “unprecedented verification”.¹⁴

However, that would be challenging against the opposition of many non-nuclear weapon states as well as members of P5 itself, as shown in the UN SC Resolution 2231, which says, “all provisions contained in the JCPOA are only for the purposes of its implementation between the E3/EU+3 and Iran and should not be considered as setting precedents for any other State or for principles of international law and the rights and obligations under the Treaty on the Non-Proliferation of Nuclear Weapons.”

POSSIBLE PROBLEMS

The JCPOA is not a treaty but, as its name implies, a plan of action. The state parties have not signed or ratified a legally binding agreement. Even the UNSC Resolution 2231, which includes the text of the JCPOA, only “calls upon all Members States” to support implementation of the agreed plan of action. This language and the absence of any reference to Article 41 of the UN Charter, means that the participants of the deal are not obliged to honor their commitments according to the international law. The JCPOA’s prospects therefore depend heavily on whether all the key parties continue to see it in their interests, regardless of domestic or international developments, to comply with its terms.

1. Unilateral Withdrawal

One factor that may lead to a premature end to the JCPOA could be that one of the parties withdraws for domestic reasons unconnected to other participants’ execution of the agreement.

The United States

The Obama Administration strongly supports the JCPOA. The White House has rescinded executive orders that applied some sanctions on Iran, waved others supported by Congress, and mobilized congressional and interest groups to support this ambitious project. Not many American presidents would invest so much political capital in an agreement with Tehran.

¹⁴ <http://www.cnn.com/2015/07/14/politics/iran-nuclear-deal/> but it would be challenging to apply this precedent more widely.

However, the approaching US presidential elections pose a serious challenge to US implementation of the JCPOA. If the Democrats keep the White House, then the JCPOA's prospects look brighter: both Hillary Clinton and Bernie Sanders have supported the JCPOA. Though Secretary Clinton might be willing to put more pressure on Iran than Senator Sanders, it is unlikely that she would deliberately abandon the landmark achievement of her predecessor without a good reason. However, all the remaining Republican presidential candidates have expressed dissatisfaction with the deal, while many Republican members of Congress have joined in this criticism.

A lot will also depend on the domestic and foreign situation starting in early 2017. However, the case of the 1972 Anti-Ballistic Missile Treaty shows that a new US Administration can leave even a legally binding international arms control agreement, as permitted under the Treaty, if it is seen as endangering national security.

Even if the next US president supports the agreement and strives for its implementation, opposition in the US Congress could still threaten the JCPOA. The proposed Iran Nuclear Agreement Review Act of 2015 would have obliged the President to present the deal to the Congress for a vote. Although the Republican Party had a majority in both houses of Congress, and would have attempted to overcome a presidential veto of the bill, the Democratic minority in the Senate managed to prevent a vote.

Even a future Republican-controlled Congress may not be able to block the JCPOA since Democratic members would strive to preserve a key foreign policy achievement of a Democratic Administration. Even the deeply weakened Senate Democrats (the 2014 elections have granted the Republicans the largest majority in Congress since 1929) were successful in blocking such Republican-backed legislation. Anyway, 24 Republican Senators and only 10 Democratic ones will be up for reelection in 2016. It makes it more likely that the Democrats will strengthen their position in the upper chamber.

The JCPOA will be in place for more than a decade and it is hard to make predictions on the composition and activities of the Congress over such a horizon. However, the longer Iran implements the JCPOA, the stronger the international pressures will become on any U.S. president and Congress not to undermine the agreement.

Iran

Despite the importance of the elected President and Parliament in Iranian political system, the Supreme Leader of Iran, currently Ayatollah Ali Khamenei, has the final say on key issues. According to the Iranian Constitution, the Supreme Leader is the head of the state and wields commanding authority including “delineation of the general policies of the Islamic Republic of Iran” and “supervision over [their] proper execution”.¹⁵ This means that Tehran may walk out of the JCPOA if Ali Khamenei so decides.

¹⁵ <http://www.iranonline.com/iran/iran-info/government/constitution.html>.

In practice, the current Supreme Leader seldom interferes directly into the decisions of the governmental authorities. He prefers to set the limits within which different actors are free to make their decisions, and uses the system of checks and balances of the Islamic Republic to maintain the balance.

This trend is visible with the negotiations on the Iranian nuclear program; in their course, the Supreme Leader supported the diplomats but played down the importance of the negotiations for the future of the country. Ali Khamenei has repeatedly drawn the red lines for the negotiators, who have used a lot of creative thinking to reconcile those with the course of negotiations. The Ayatollah had seemingly been playing a bad cop to strengthen the positions of the Iranian negotiators.

For example, at the end of May 2015, the Supreme Leader had provoked a heated discussion by saying that Iran would not provide access to its military facilities as part of any nuclear agreement and will not tolerate “extraordinary supervision measures”. Yet, those key points were included in the JCPOA. In the end, the Iranian negotiators managed to put some conditions on the visits to the military sites and were successful in persuading the domestic audience that such inspections are an integral part of the Additional Protocol and thus are not “extraordinary.”

In his letter to Rouhani following the approval of the JCPOA by the Iranian Parliament, Ali Khamenei conditionally endorsed the plan. The Supreme Leader stated that, “Any new sanctions on any level with any excuse (for example with the repetitive fake excuses of support for terrorism or human rights) ... will be considered a breach of the JCPOA” and must result in Iran stopping implementation of the agreement.¹⁶ When on January 17, 2016, the US imposed new sanctions on Iranian citizens and companies involved with country’s missile program, Tehran could have acted on its threat and stopped implementing the JCPOA; however, Iran responded only by launching more missiles.

These cases show that the Supreme Leader is ready to stick with the JCPOA if Iran’s key interests are preserved. The lifting of sanctions against Tehran will probably result in more economic growth and higher standards of living for Iranian citizens; in this case, it will become even harder for the Supreme Leader to walk away from the JCPOA without a strong reason.

The one factor that cannot be predicted is the possible change of the Supreme Leader of Iran. The Supreme Leader has life tenure, but Ali Khamenei is 76 years old; once he “becomes incapable of fulfilling his constitutional duties,” the Assembly of Experts will have to choose his successor. The results of such an election are unpredictable; however, there is a good chance that it will be the current composition of the Assembly (2016–2024) who will decide on the matter. The recent elections to the Assembly of Experts increased the influence of moderates aligned with President Rouhani, which could mean that the new Supreme Leader will be at least as supportive for the JCPOA as ayatollah Khamenei.

¹⁶ <http://en.mfa.ir/index.aspx?siteid=3&fkeyid=&siteid=3&fkeyid=&siteid=3&pageid=1997&newsview=363361>.

2. JCPOA Implementation

Enforcement of the JCPOA's provisions has long been one of the agreement's most controversial points. Critics have argued that Tehran may fail to comply with the limitations on its nuclear program, deny inspections of critical nuclear facilities, engage in illicit nuclear procurement and other activities, or take other measures to circumvent, "sneak out" (develop nuclear weapons capabilities at undeclared sites) or "break out" (follow the North Korean path of renouncing its nuclear nonproliferation commitments and rapidly pursuing nuclear weapons using current and future nuclear capabilities). Although the Iranian government appears to be implementing its JCPOA commitments so far, a future government in Tehran may decide, for a variety of reasons, to cease to do so.

Iran's potential for future illicit nuclear procurement activities is significant. Iran developed one of the most comprehensive counter-sanctions programs in history. The U.S. Treasury Department managed to identify dozens of front companies and other entities that Iranians used to circumvent sanctions.¹⁷ These entities obtained technologies, materials, and funds to aid Iran's nuclear and missile programs. Some of these entities may now be inoperative, but could be reactivated, while other entities have yet to be identified or could be created in the future.

Iran's inclination to engage in new illicit procurement will vary depending on the goals of the regime, especially its satisfaction with the supervised procurement system created under the JCPOA, as well as Tehran's assessment of how effectively the new system and other international bodies could identify and suppress new illicit procurements. The possible loss of economic ties with Russia would factor into this calculation, so Russian-Iranian trade and investment that does not contribute to Iran's nuclear or military capabilities could strengthen Iranian interest in upholding the JCPOA and not pursuing nuclear weapons even after its terms expire.

At the same time, though the Obama administration has been trying to make it easier for Iranian and foreign companies to use US dollars for any new economic deals,¹⁸ it still upholds the non-nuclear sanctions (over Iranian missile launches as well as alleged terrorism and human rights violations), which closes the US financial system to Iran.¹⁹

If Tehran does not achieve as much sanctions relief as it expected from the deal, Iranian interest in upholding the agreement would diminish.

SPILLOVER FROM OTHER SPHERES

Many developments unrelated to Iran's nuclear program could spill over to disrupt implementation of the JCPOA. For example, the United States is continuing its sanctions on

¹⁷ https://www.treasury.gov/resource-center/sanctions/Programs/Documents/irgc_ifsr.pdf.

¹⁸ www.npr.org/templates/transcript/transcript.php?storyId=473772642.

¹⁹ <http://www.cfr.org/united-states/why-us-economic-leadership-matters/p37731>.

Iran for non-nuclear reasons,²⁰ including to counter Iranian government human rights abuses and support for terrorism; many of these sanctions apply to the Iranian Revolutionary Guards Corps, a powerful actor in Iran that could retaliate against the nuclear deal.

Missiles

The most serious negative dynamics could be generated by Iran's long-range ballistic missile research, development, and especially testing program. These tests have already prompted the Obama Administration to apply additional sanctions on Iranian entities and individuals involved with the program.²¹ They have also sustained support for US and NATO missile defense programs, which Russia perceives as a threat to its nuclear deterrent.

Continuing Iranian missile testing could undermine support for the JCPOA in the United States, leading to a unilateral US withdrawal as described above. The second path, less likely, would be that Iranian missile testing could lead the US to augment its missile defense program, triggering some kind of Russian or Chinese retaliation that could encompass withdrawal or indifference toward the JCPOA.

Terrorism and Human Rights

The other set of dynamics would involve a similar dynamic but relating to terrorism or human rights. Critics of the JCPOA say that the Iranian government continues to support international terrorist movements (as designated by the US government) and that the current Iranian government, however much it has moderated its nuclear policies, still pursues an assertive regional policy that threatens other countries and an oppressive domestic policy that denies Iranians important political and civil rights.²²

According to the US State Department, "In 2014, Iran's state sponsorship of terrorism worldwide remained undiminished through the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF), its Ministry of Intelligence and Security, and Tehran's ally Hizballah, which remained a significant threat to the stability of Lebanon and the broader region".²³

If the United States imposes more sanctions on the Iranian government for supporting terrorism or suppressing Iranians' civil liberties, the Iranian government might execute its threats to withdraw from the JCPOA. Depending on the situation at issue, Moscow could side with Tehran or Washington on the dispute.

²⁰ [http://bipartisanpolicy.org/blog/after-iran-deal-wrangling-over-hybrid-sanctions/?_cldee=d2VpdHpAaHVkc29uLm9yZW%3d%3d&utm_source=ClickDimensions&utm_medium=email&utm_campaign=Project%20Update%20%7C%20Foreign%20Policy%20\(Iran\)](http://bipartisanpolicy.org/blog/after-iran-deal-wrangling-over-hybrid-sanctions/?_cldee=d2VpdHpAaHVkc29uLm9yZW%3d%3d&utm_source=ClickDimensions&utm_medium=email&utm_campaign=Project%20Update%20%7C%20Foreign%20Policy%20(Iran)).

²¹ <https://www.rt.com/usa/329240-us-sanctions-iran-ballistic/>.

²² http://www.afpc.org/publication_listings/viewPolicyPaper/2926.

²³ <http://www.state.gov/j/ct/rls/crt/2014/239407.htm>.

Geopolitics and Middle East Power Struggles

Russia and the US could try to play some kind of Iranian card against each other, by deliberately stirring up tensions between Tehran and the other party. This development would aim to use Tehran as a proxy to weaken the other's regional influence. In the past, the Islamic Republic has resisted serving as anyone's client state – and will likely do so in the future.

The prospects of the deal with Iran over its nuclear program were met with anxiety by many regional players. After the JCPOA was concluded, the Prime Minister of Israel, Netanyahu called the deal a “historic mistake”.²⁴

Saudi Arabia – another key US ally in the region – has also shown dissatisfaction with the agreement. As the JCPOA went through the US Congress and passed to the stage of implementation, the critics have switched their attention to other spheres. However, the regional factor could still play its negative role.

There are a number of conflicts in the Middle East, ranging from Iraq to Yemen, where Iran (directly or indirectly) is a party. As the hostilities in Syria wind down, Iran and its allies could have more resources to engage with other parts of the region. If Hezbollah will increase its activity at the border with Israel, or the Houthis overpower the coalition forces in Yemen or even enter Saudi Arabia, Tel-Aviv or Riyadh could retaliate by any means possible. One of the options would be to try to attack the JCPOA through lobbying in Washington or by other means.

RECOMMENDATIONS

If the JCPOA is executed properly, the US should make its regional allies understand that this would be ill judged. The nuclear agreement with Iran is in itself making the Middle East a much safer place and should be insulated from the regional crisis. The interests of the US allies in the region will be better served by Iran that is part of the JCPOA and whose nuclear program is fully transparent.

If a new US President decides to leave the JCPOA due to partisan politics, other members of the JCPOA should use their influence to persuade Washington to stay. Russia would have limited influence over the US decision making but it can coordinate with China and the European participants of the agreement, who as NATO allies will have more say.

Even if the US leaves the agreement, it will not mean the end of the JCPOA. The good will of the remaining participants could compensate for a US withdrawal. The lifting of the UN and EU sanctions could provide a sufficient stimulus for Iran to continue to implement its part of the deal, which can then be modified. If the US re-imposes unilateral sanctions on foreign

²⁴ <http://www.wsj.com/articles/netanyahu-calls-iran-deal-historic-mistake-1436866617>.

businesses operating in Iran, Russia and the other parties to the agreement should protect their companies working with Iran. The EU Council regulation № 2271/96 protecting European companies from the Cuba-related US sanctions is a good example to follow.

Iranian activities that run contrary to the JCPOA should be thoroughly examined before any actions are taken. The limits on the stocks of enriched uranium and the heavy water may be slightly exceeded due to technical or logistical issues. Likewise, the IAEA should stick to the JCPOA principles according to which “requests for access [to the Iranian objects] will be kept to the minimum necessary to effectively implement the verification responsibilities under this JCPOA”. Members of the Joint Commission should vote according to the in-depth analysis of the each case, not based on preexisting stereotypes or an inclination to support allies regardless of the merits of the issue. The US should weigh heavily the costs of imposing new non-nuclear related sanctions against Iran, especially in the first years of the deal. For example, Iran’s missiles are relatively harmless without nuclear warheads.

Overall, the parties should aim at keeping implementation of the JCPOA out of the UNSC. As the last stage of the enforcement mechanism of the plan of action, referral to the Security Council would start a process, under which any of the P5 states would be able to terminate the JCPOA (the snapback mechanism) with no possibility to reverse this action. With so much at stake, anything short of flagrant violation of the agreement should be addressed through consultations and other conflict-resolution mechanisms in the plan.

The Iranian nuclear deal and the resulting sanctions relief have heightened proliferation pressures in the Middle East for countries concerned about Iran, such as Saudi Arabia and the UAE. One factor that might lead Iran’s Middle Eastern neighbors and other governments to pursue their own nuclear weapons would be their conviction that the US lacked the capabilities or intent to protect them.

Conversely, if the US continues to make credible claims to defend them from such direct and indirect aggression, these potential nuclear aspirants would be less likely to risk pursuing nuclear weapons in order to avoid alienating US goodwill and political and economic relations with other Western nations. The United States and other countries can help discourage them from pursuing nuclear weapons by providing them with security assistance and non-nuclear weapons, such as missile defenses.

Due to the Iran experience, countries and international institutions have significantly improved their capacity to apply a range of sanctions against those states that violate their nonproliferation obligations. However, the targeted states have strengthened their capacity to circumvent sanctions. In addition, many countries are scaling back their sanctions machinery following the adoption of the JCPOA and UNSC Resolution 2231.

The JCPOA has a “snap back” mechanism to allow the UN to reinstate all nuclear-related sanctions should Iran violate the agreement, but the highly sophisticated nature of the sanctions web imposed on Iran by the international community prior to the JCPOA will likely be impossible to fully reconstitute even if there is significant Iranian cheating. It took years to construct the comprehensive partnership capable of exerting the requisite influence on Iran to check Tehran’s nuclear ambitions.

For reasons of deference and leverage regarding Tehran, the P5+1 should retain the capacity and will to enforce the agreement. However, due to Russian and Chinese reluctance to impose sanctions in general, it will likely be up to the US Treasury to take the lead in sustaining a strong sanctions capacity that will deter Iranian cheating with credible threats of retaliation.

The US will more likely be able to partner with Russia and other countries in strengthening the border security and export control capabilities of all countries, especially those near Iran, in order to limit possible illicit Iranian nuclear trafficking activities. It is welcome that the Russian government has committed to sustaining high levels of security over its own nuclear materials and technologies despite the curtailed assistance the US provided toward this end under the now expired Nunn-Lugar program. The two countries have a good record on cooperating in addressing nuclear security challenges in third countries, such as their longstanding effort to remove vulnerable HEU stocks from research reactors in many states, and hopefully this will continue. The Russian and the US governments should consider means to strengthen the Proliferation Security Initiative (PSI), UN Security Council Resolution 1540, the Global Initiative to Combat Nuclear Terrorism (GICNT), and other mechanisms to counter nuclear proliferation and terrorism. Some initiatives of these and other initiatives have lost momentum due to Russian-Western tensions on other issues.

Russia, the US and other countries also need to strengthen the capabilities of the IAEA, which will need additional funding and technologies to enforce the JCPOA with Iran, a country with a large land mass, ready access to maritime transport, a sophisticated nuclear program, and a history of engaging in extensive illicit nuclear activities. Other countries can also contribute money and additional resources to strengthening the IAEA's capabilities, for enforcement of the JCPOA and other purposes.²⁵

Although the EU has the nominal lead in helping keep Iran's nuclear program safe and secure, Russia should also continue to strive to enhance the safety and security of any nuclear materials and technologies that it shares with Iran – as well as train Iranian personnel to uphold best-practice nuclear safety and security practices. (The Iranians would never let US personnel contribute directly on-site toward this end, but the United States can assist the EU, Russia, and other states in dealing with Iran in these areas.) Despite Iran already having an operational commercial nuclear reactor at Bushehr, Iran has not yet signed the Convention on Nuclear Safety²⁶ and is not a party to the Convention on the Physical Protection of Nuclear Material²⁷ or the Convention for the Suppression of Acts of Nuclear Terrorism.²⁸

Moscow can help push Iran to adopt these agreements, which would benefit both countries and the rest of the international community. Russia has a commercial interest in ensuring that Iran's nuclear program remains safe, secure, and civil – a major Iranian nuclear accident, a nuclear terrorism incident with materials acquired from Iran, or the collapse of the JCPOA would undermine Russian plans to participate in the expansion of Iran's civil nuclear energy program.

²⁵ http://belfercenter.hks.harvard.edu/publication/26413/what_price_nuclear_governance_funding_the_international_atomic_energy_agency.html?breadcrumb=%2Fpublication%2Fby_type%2Freport.

²⁶ http://www.iaea.org/Publications/Documents/Conventions/nuclearsafety_status.pdf.

²⁷ https://www.iaea.org/Publications/Documents/Conventions/cppnm_status.pdf.

²⁸ http://fas.org/wp-content/uploads/2013/04/iran_nuclear_odyssey.pdf.

There is a speculation that Russia and the other members will soon promote Iran to a full member of the Shanghai Cooperation Organization (SCO). In the past, the other members refused to take this step since the SCO adopted a rule denying full membership to countries under UN sanctions. The SCO should retain this rule and be prepared to suspend Iranian membership should the UNSC, where Russia can veto any resolution, again find Iran in violation of its nonproliferation obligations.

After 10 years and especially 15 years, the exclusive limits applied to Iranian nuclear activities in the JCPOA will expire and Iran will be under the same general, and weaker, NPT restrictions and IAEA safeguards as most other countries having potential nuclear weapons capabilities. Yet, efforts to establish a Weapons of Mass Destruction Free Zone (WMDFZ) in the Middle East are impeded by the Arab Spring, Russia-U.S. tensions, and other obstacles. Egypt continues to block US efforts to ensure that the proposed WMDFZ conference has conditions acceptable to Israel, which would have to confirm and relinquish its policy of nuclear opacity, an unlikely development even if the JCPOA is implemented successfully.

Countries might explore extending some JCPOA provisions (such as the maximum 3.5% uranium enrichment level and the enhanced monitoring offered through the Additional Protocol) by means of inducing other Middle East countries to accept similar limits. The Iranian government has said it would not accept unilateral restrictions beyond the JCPOA but would consider adopting limits that applied to many countries (thereby not stigmatizing Iran in particular).

If we are not careful, the JCPOA could set a bad precedent by encouraging other countries to seek enrichment and reprocessing (ENR) capabilities and other sensitive nuclear technologies that could be used to make nuclear weapons. A better standard for nuclear technology transfers is that of the 123 Agreement for Peaceful Civilian Nuclear Energy Cooperation between the United Arab Emirates (UAE) and the United States in which the UAE voluntarily agreed not to possess ENR technologies. The US government has described the UAE approach as a model (“gold standard”) that other states should follow. Although the US has had difficulty securing consensus in the NPT and the Nuclear Suppliers Group (NSG) on this principle, Russia, China, and the United States can evaluate the possibility of the complete ENR renunciation in their bilateral civil nuclear cooperation.

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