N°5 | July 2014

Détente, not Rapprochement: Iran, the West, and the Middle East and North Africa regional order at Geneva, November 2013 — February 2014

(Part II: E3+3-Iran Nuclear Negotiations)



Farzan Sabet *

Introduction

As American soldiers and their coalition partners have gradually retreated from their state-building efforts in Afghanistan and Iraq, the Middle East and North Africa (MENA) in the late 2000s have been defined by two broad convulsions that are transforming the regional order. The first is the Iranian nuclear crisis. Beginning in August 2002 over the Islamic Republic of Iran's nuclear activities—and more specifically its uranium enrichment policies—this crisis is rooted in the concern that Iran could ultimately produce the fissile material for a nuclear weapon that could change the regional power balance in its favor and create a nuclear weapons proliferation cascade. Israeli leaders have been the most adamant about the need to eliminate the Iranian nuclear program, through the use of military force if necessary. American leaders have opted for a "dualtrack" approach that aims, on the one hand, to limit the Iranian nuclear program through pressuring Iran with harsh and far reaching economic sanctions and, on the other hand, offering the possibility of ending the country's economic and diplomatic isolation through negotiations. This crisis, if not resolved, could lead to military conflict between Iran and regional states, even a regional nuclear arms race.

The second convulsion has been the revolutionary wave that has enveloped the Arab world since December 2010, from the Atlantic coast of Morocco to the Indian Ocean shores of Oman, toppling dictators such as Tunisia's Zine El Abidine Ben-Ali, Egypt's Hosni Mubarak, Libya's Moamar Ghadafi, and Yemen's Ali Abdullah Saleh. While what many call the "Arab Spring" continues to reverberate in the region, one case stands out above the others in its status as one of the greatest national tragedies of our young century, with potentially negative implications for regional stability and security: Syria. What began as a peaceful movement for change in March 2011 has devolved into a brutal civil war. As of the date of writing nearly 150,000 people have been killed in this conflict and 2.5 million displaced, and any resolution seems very far-off.

Iran, a central actor in both of these dramas, has been engaged in intense diplomacy in Geneva, Switzerland, with the E3+3 (Great Britain, France, and Germany, plus the United States, China, and Russia), resulting in the historic Joint Plan of Action (JPA) in November 2013. This interim-agreement addresses some of the fundamental issues of the Iranian nuclear crisis, albeit temporarily, and has given six months to one year of breathing space to allow for the negotiation of a more permanent agreement. It has been a



N°5 | July 2014

tentative and fragile victory that bodes well for the resolution of the nuclear crisis and the broken U.S.-Iran relationship. This tentative success contrasts starkly with the experience of the Geneva II Conference on Syria. The Geneva II talks began on a dark note in January 2014 when Iran was unceremoniously disinvited from attending, and ultimately collapsed in February when it became obvious that the chasm between the regime and opposition was too wide to bridge in the near future. Unlike the E3+3-Iran talks, which demonstrated the ability of decades-long enemies to sit at the negotiation table and work toward resolving their differences, Geneva II reflected domestic Syrian and regional animosities and the inability to put aside differences. This contrast between the two Geneva negotiations begs the question: Which is more reflective of the MENA region's future and what is Iran's place in both? There is hope that the tentative success of the E3+3-Iran talks will translate into greater cooperation by Iran with the West, especially the United States, and their respective regional allies in ending the Syrian civil war. However, the divergence between the Syrian and nuclear negotiations in Geneva reveals that while the foreseeable future may hold a tentative détente between Iran and the United States, we should not necessarily expect a far-reaching rapprochement any time

This two part-series looks at the Syrian and nuclear crises. It gives insight into the trajectory of change in the MENA region and the place of Iran at the center of the maelstrom. Part I, published in March 2014, briefly looked at the Geneva II Conference and focused on Iran's policy in Syria. Part II, focuses on the E3+3-Iran talks in Geneva and the issues yet to be resolved. Both articles ground Iran's perceptions and policy in these negotiations in the country's past, with an eye for the implications to the future.

<u>Historical Background</u>

For most the Iran nuclear crisis is rooted in the August 2002 revelations by the National Council of Resistance of Iran (NCRI), an Iranian opposition group in exile, and its revelation of the existence of hitherto undeclared nuclear facilities. Over the course of the last 12 years, this crisis has taken on multiple meanings for each party to the E3+3-Iran talks, especially the two central actors the United States and Iran. For the former, it has become the central struggle to keep the lid on the pandora's box that is the Non-proliferation Treaty (NPT) and avoid the spread of nuclear weapons while making the atom available for peaceful uses. For the latter, it is about asserting a national right under the NPT in the face of what it views as Western attempts to hold back its level of scientific progress. Beneath the veneer of international nuclear politics is more than three and half decades of distrust and enmity between the United States and Iran and what has become a miniature-Cold War at the regional-level in the Middle East.

Faded from historical memory is the reality that the current U.S.-Iran conflict is not simply a product of the Islamic Revolution of 1979 that made anti-imperialism, and by extension anti-Americanism, a key component of Iranian foreign policy for decades to come. Iran under Shah Mohammad-Reza Pahlavi, who ruled between 1941 and 1979, was certainly a stalwart American ally and a pillar of President Richard Nixon's foreign policy to manage the Persian Gulf, keeping it free of Soviet Union's influence. However, the Shah's Iran in the 1970s was also empowered by the vast expansion of its petroleum



N°5 | July 2014

wealth thanks to the 1973 oil crisis. While the traditional scholarship and and politicized historical narratives have treated the Shah's Iran as little more than a U.S. puppet, more recent historical research backed by a wave of archival declassifications in the West and former policy-makers willing to speak, has drawn a much more nuanced picture of a country that was increasingly independent and assertive in regional and global affairs. The Shah's support for an escalation of crude oil prices by the Organization of Petroleum Exporting Countries (OPEC) in the last decade of his rule is today recognized as one of the first major blows to the U.S.-Iran alliance, facilitating the rise of Saudi Arabia as the United States' principal ally in the Middle East. Iran's military intervention in Oman's Dhofar province to suppress Marxist rebels there between 1972 and 1975, equipped with some of the most advanced American and British military hardware and training, signalled Iran's re-emergence as a military power after nearly a century and a half of absence, to the discomfort of some of its Western allies and regional neighbours. ii And of course scholars today recognize some important parallels between Iran's dreams of nuclear industrialization in the 1970s and the contemporary nuclear program, specifically in the way the Shah asserted Iran's rights under the NPT in the face of objections by the United States and the West. iii As tensions slowly emerged in the U.S.-Iran relationship in this period, the pendulum may have already begun to swing away from close-knit ties when the revolution unraveled the alliance altogether. Has the time now arrived for the pendulum to swing back toward better ties?

Geopolitical Background

It was argued in part one of this series that Iran's quest for an independent foreign policy in the post-1979 era, which persists to this day and can be seen in its staunch support for the Bashar al-Assad regime in the Syrian civil war, precluded the possibility of any U.S.-Iran rapprochement - normalization of relations - at least in the near future. iv Of course, several factors make a detente - or an easing of tensions between the two sides - more likely than in the past. The first is the U.S. decision to draw-down its military forces and operations in the Middle East and pivot to Asia, in the context of an economic and financial crises which have made less resources available for defense expenditure and military interventions abroad as well as decreased reliance on the Middle East for petroleum resources thanks to the shale energy revolution. The second is Iran's strengthened regional position since 2001, thanks in no small part to increased oil prices, the removal of two hostile regimes in Afghanistan (2001) and Iraq (2003) by the U.S. military, and the Arab Spring (what Iran sees as an "Islamic Awakening" inspired by its own Islamic Revolution) which has overthrown or destabilized one U.S. ally in the Middle East after another. The final factor is increased possible domains for cooperation between the two rivals, including in Afghanistan after foreign troops depart and in Iraq where the Islamic State (IS, formerly known as Islamic State of Iraq and the Levant) has sparked a crisis that could further the unravelling of the Sykes-Picot state system laid down in the early 20th century.

Of course, even a limited detente can only take place in the context of successful E3+3 nuclear negotiations that result in an end-state agreement which, at the very least, addresses the central concerns of both parties. With this historical and geopolitical



N°5 | July 2014

background in mind, here are the major issues both sides must overcome to reach a point where military conflict is averted and a detente becomes a real possibility.

Getting from the Joint Plan of Action (JPOA) to an End-State Agreement

The November 2013 JPOA was a temporary agreement that put a hold on the expansion of the Iranian nuclear program and created breathing room to reach a more permanent end-state agreement. Among other things, the JPOA suspended Iranian uranium enrichment above five percent and depleted Iran's reserves of five and 20 percent enriched uranium stockpile, suspended construction of the IR-40 (Arak) Heavy Water Reactor, and put in enhanced verification measures. In exchange for these temporary concessions, Iran was given limited and temporary sanctions-relief valued at several billion dollars. While these limited and temporary measures have enabled at least 6-12 more months of negotiations, both sides are now under enormous pressure to reach a final agreement, or risk a renewed nuclear crisis at a time when the Middle East is already rocked by multiple crises. Below, the four central issues of the ongoing talks are discussed in brief to give a glimpse of their political and technical complexity.

The nuclear fuel cycle

One of the central questions of the E3+3-Iran questions, which goes to the heart of the dispute about the NPT, is whether Iran has the right to master the nuclear fuel cycle under the NPT, and if so to what extent. $^{\vee}$ This issue contains at least five important sub-issues.

The first sub-issue whether Iran has a right to enrich uranium under the NPT, and if so to what level? In the negotiations since 2002, the United States has not necessarily acknowledged the existences of any such right, although the *de facto* decisions to allow Iran to enrich up to five percent in the JPOA is interpreted by some as accepting such a right. Iran has consistently asserted that it has a right to enrich. It should be kept in mind that any final outcome on this question in a final end-state agreement may not necessarily set a precedent for the scope of enrichment rights under NPT for other non-nuclear weapons member states.

The second sub-issue is on the level to which Iran will be allowed to enrich, including five percent (fuel for nuclear reactors to produce energy); 20 percent (medical isotopes and other applications); 60 percent (nuclear naval propulsion); and 90 percent (weapons grade). While Iran has in the past enriched up to 20 percent, under the JPOA it has taken steps toward eliminating this stockpile while the temporary agreement has allowed Iran to continue enriching up to five percent which is probably close to the final U.S. position.

The third sub-issue is what enrichment capacity Iran will be allowed to retain. The E3+3, and especially its Western members, have focused on restricting the number of centrifuges and Iran's stockpile of enriched uranium to levels which will maximize what they call "break-out time", or "the theoretical time it would take Iran to reconfigure its cascades of centrifuges at its declared enrichment sites and then make enough highly enriched uranium for one nuclear weapon." Iran, in contrast, is seeking to maximize its number centrifuges and stockpile of enriched uranium, arguing that it genuinely needs a larger



N°5 | July 2014

enriched uranium capacity to benefit from nuclear energy, and has already announced its readiness to build more nuclear reactors. Another wrinkle to this question is whether Iran will be able to continue research to build more efficient centrifuges, and how many of these it will be allowed to bring online. The bulk of Iran's existing 19,000 centrifuges are IR-1, believed to be based on a model purchased from the Abdul Qadeer Khan network, versus the more advanced and efficient IR-2 model believed to be in development.

A fourth sub-issue has been Iran's Arak Heavy Water reactor which, if completed, could produce spent plutonium which can be reprocessed into weapons-grade plutonium. This issue appears less problematic as of the date of writing given that Iran has indicated it may be willing to convert this facility to a light-water reactor that would produce less spent plutonium, although it would require enriched uranium, strengthening the Iranian argument for a greater uranium capacity, as highlighted above.

A final sub-issue is whether the Fordow Fuel Enrichment Plant (FFEP) should be allowed to remain open. The controversy revolves around the opinion of the E3+3 that the facility could be impermeable to most types of conventional military strikes, meaning that it could be the epicenter of any Iranian attempt to "break-out" and produce a nuclear weapon.

Economic sanctions on Iran

As many studies have noted, viii economic sanctions on the Iranian economy over its nuclear program by the United Nations, United States and European Union have been devastating to the Iranian economy and have also had humanitarian impacts such as food and medical shortages. Through a combination of economic and financial coercion and diplomacy, the United States and European Union have also convinced many of Iran's trading partners as well as much the global private sector to comply with these sanctions, badly damaging Iran's ability to export oil and conduct basic international financial transactions, thereby crippling its economy in many respects.

Although Iran recently dropped its demand for an immediate end to sanctions once an end-state agreement is reached, ix the timing of sanctions relief will likely remain a deeply problematic issue. Iran, and especially President Hassan Rouhani and his administration, will want sanctions lifted in order to improve the country's economic situation as soon as possible. The United States will want sanctions to remain in place as long as possible and only be removed gradually because it views this as its main leverage to get Iran to comply with its commitments under any end-state agreement. This issue is probably of equal importance to Iran as that of the nuclear cycle in these negotiations, while the United States is also under pressure from Congress, Israel, and Saudi Arabia, among others, not to give sanctions-relief too easily.

Verification measures

The United States and other members of the E3+3 have repeatedly called on Iran to sign what are called the Additional Protocols (AP), which would allow snap inspections and other verification measures by the IAEA to ensure that Iran is keeping its promises in



N°5 | July 2014

any end-state deal and not pursuing illicit nuclear activities. While Iran has expressed openness in the past to signing the additional protocols, it is voluntary and confidence-building measure which it is not necessarily required to do. It is safe to say that for the United States, this is key to ensuring the peaceful nature of the Iranian nuclear program and some have argued very forcefully for strong verification measures to be including in any final deal. $^{\rm xi}$

A second sub-issue within the ambit of verification measures are what are known as the possible military dimensions (PMD) of the Iranian nuclear program, especially as it relates to past weaponization activities. The Western contingent of the E3+3 wants Iran to come clean on what they see as its clandestine nuclear weapons program, while Iran has denied that any such program ever existed. This is a particularly tricky issue because, if the allegations are true, Iran will not want to make a public confession after years of denial, and a creative face-saving solution will have to be found to address it.

Length of end-state agreement

The term end-state agreement, one of the many terms used for a final nuclear deal between the E3+3 and Iran, is misleading because it does not really address the "end-state" of Iran's nuclear program nor is it final. In fact, an end-state agreement is a temporary one, albeit longer than the JPOA, during which Iran is found to be in compliance with its NPT obligations and sanctions are gradually lifted, at which point the nuclear issue is taken out of the United Nations Security Council and Iran becomes an IAEA member in good standing. Proposals on how long this period should last typically vary from as little as three years up to 20 years.

Conclusion

As the range and complexity of the E3+3-Iran nuclear negotiations illustrate, resolving the nuclear crisis through an end-state agreement will not be an easy task and will require time and political will from all sides, especially the two principal parties of the United States and Iran, to succeed. As the global and Middle East security agendas are forced to address more and more issues - from the Russo-Ukrainian conflict to the Syrian civil war to the Iraq crisis to the Israel-Hamas war, not to mention nontraditional challenges such as climate change - all parties to the dispute will be have their attention diverted to issues other than the Iranian nuclear crisis, potentially leaving the issue to fester for a future conflagration. A successful end-state agreement, on the other hand, will create more space for cooperation. While a full rapprochement is likely out of the question for the foreseeable future, a limited detente may be possible. This tentative detente could in turn open the door to resolving a plethora of other issues, for example creating the political space in middle eastern agendas for negotiations on the Middle East Weapons of Mass Destruction Free-Zone (ME-WMD-FZ), a potentially important next step for shaping a stable regional security framework to enable greater stability there.

* Graduate Institute of International and Development Studies, Geneva

N°5 | July 2014

ⁱ Cooper, Andrew Scott. *The Oil Kings: How the U.S., Iran, and Saudi Arabia Changed the Balance of Power in the Middle East.* New York: Simon & Schuster, 2011.

ⁱⁱ Goode, James F. "Assisting Our Brothers, Defending Ourselves: The Iranian Intervention in Oman, 1972–75." *Iranian Studies* 47.3 (2014): 441-62.

Hamblin, Jacob Darwin. "The Nuclearization of Iran in the Seventies." *Diplomatic History* (2013): 1-22. 5 Sept. 2013. Web. 22 June 2014. http://dh.oxfordjournals.org/content/early/2013/09/05/dh.dht124.full.pdf+html.

ⁱⁱⁱBurr, William. "A Brief History of U.S.-Iranian Nuclear Negotiations." *Bulletin of the Atomic Scientists* 65.1 (2009): 21-34.

^{iv} Sabet, Farzan. "Détente, Not Rapprochement: Iran, the West, and the Middle East and North Africa Regional Order at Geneva, November 2013 – February 2014 (Part I: The Islamic Republic of Iran's policy in the Syrian Civil War)." *Papiers D'actualité/ Current Affairs in Perspective*. Fondation Pierre Du Bois, Mar. 2014. Web. 22 June 2014. http://www.fondation-pierredubois.ch/en/Papiers-dactualite/detente-not-rapprochement.html>.

The International Atomic Energy Agency (IAEA) defines the nuclear fuel cycle as follows: an industrial process involving various activities to produce electricity from uranium in nuclear power reactors. The cycle starts with the mining of uranium and ends with the disposal of nuclear waste.

^v "The Nuclear Fuel Cycle." *International Atomic Energy Agency (IAEA)*. Aug. 2011. Web. 22 June 2014. http://www.iaea.org/Publications/Booklets/NuclearFuelCycle/nfc0811.pdf>.

The focus on break-out time has been criticized by some as placing the emphasis on the wrong item in nuclear negotiations

vi Lewis, Jeffrey. "The Problem With Stopwatches and Centrifuges." Foreign Policy. 5 June 2014. Web. 22 June 2014.

http://www.foreignpolicy.com/articles/2014/06/05/the problem with stopwatches and centrifuges iran nuclear deal breakout>.

vii "Iran Expects Deal Soon on Russia Building New Nuclear Reactors." *Reuters*. 24 June 2014. Web. 24 June 2014. http://www.reuters.com/article/2014/06/24/us-iran-nuclear-russia-idUSKBN0EZ1JG20140624.

viii Spider Web: The Making and Unmaking of Iran Sanctions. Middle East Report. no. 138. International Crisis Group, 25 Feb. 2013. Web. 22 June 2014. http://www.crisisgroup.org/en/regions/middle-east-north-africa/iraq-iran-gulf/iran/138-spider-web-the-making-and-unmaking-of-iran-sanctions.aspx.

^{ix}Richter, Paul. "Iran Eases Key Demand in Nuclear Talks, Boosting Chances for a Deal." *Los Angeles Times*. 18 June 2014. Web. 24 June 2014. http://www.latimes.com/world/middleeast/la-fg-iran-eases-nuclear-demand-20140618-story.html

^x Sabet, Farzan. "Iran: Resolving the Nuclear Crisis." *Journal of Public and International Affairs (JPIA)* (2013): 74-92.

xi Joseph, Joff. "Verification Measures for a Final Deal." *Iran Matters*. Harvard University, 3 June 2014. Web. 24 June 2014. http://iranmatters.belfercenter.org/blog/verification-measures-final-deal.

xii Landau, Emily. "Atomic Amnesia: The Forgotten Military Aspects of Iran's Nuclear Program." *Iran Matters*. Harvard University, 9 June 2014. Web. 24 June 2014. http://iranmatters.belfercenter.org/blog/atomic-amnesia-forgotten-military-aspects-iran%25E2%2580%2599s-nuclear-program.