



# BULLETIN

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## The Devil Is (Still) in the Details: Nuclear Talks between P5+1 and Iran

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*The second round of nuclear talks between Iran and the P5+1 group in Geneva was an important step towards a long-term and lately renewed diplomatic process. The effective “demilitarisation” of Iran’s nuclear programme is more politically and technically complicated than is the chemical disarmament of Syria. There is a sense of time running out, and of space for eventual compromises in these talks narrowing. Success or failure might have an important impact on the Middle East, and on global security. Successful talks could initiate step-by-step easing of international isolation and sanctions on Iran, implying also gradual normalisation of its relations with the U.S. and EU countries.*

The renewal of talks first contact between the presidents of the U.S. and Iran, began in autumn 2013. Meetings of negotiators in Geneva (15-16 October and 7-9 November) were surrounded by embargo on detailed information, but the conclusion of an interim agreement, among other things on the IAEA’s control of reactor construction in Arak, was close. This agreement might be signed on 20 November, with the framework and schedule of further talks to follow in the next six months. Currently, Iran and great powers are declaring cautious optimism and recognition for the necessity to have a clear-cut timeframe for substantive negotiations. A preliminary agreement could open the way to further meetings and technical talks between P5+1 and Iran. On 11 November 2013, a separate agreement was signed between the IAEA and Iran, regarding inspections of the uranium mine in Gchine, the heavy water production plant in Arak, and every new and planned nuclear installation.

**The Progress of Iran’s Nuclearisation.** Nuclear installations in Iran were disclosed by the Iranian opposition in 2002. Because of this, it is known that Iran, from the 1980s, and in total secrecy and violation of obligations under the NPT, was mastering full nuclear fuel-cycle activities. This technology is dual-use and could provide both a pillar of the civilian nuclear energy and a military nuclear arsenal. To achieve these goals, Iran could use uranium enrichment plants in Natanz and Fordow, but also the reactor under construction in Arak, operating on heavy water and capable of plutonium production. The issue of the real purpose of Iranian nuclear programme became the centre of disagreement between Iran, the IAEA, and major powers. According to the IAEA report from 2011, Iran has in the past worked on all elements of the military programme, i.e., fissile materials and the design of an appropriate warhead and its adaptation for ballistic missiles.

Iran—despite resolutions and sanctions by the UN Security Council—is continuing its uranium enrichment programme. Iran currently possesses uranium enriched to 3.5%, which after further enrichment (for the core of a warhead, 90-93% highly enriched uranium is needed) is enough for seven to nine nuclear warheads. Iran is experimenting with a very small quantity of uranium enriched to 20%, as well with a new generation of centrifuges needed for speeding-up the enrichment process. Tehran possesses all technologies essential both for building warheads and for weaponisation, but is not working on uranium enrichment above 20%. The time necessary to produce fissile materials has become shorter; theoretically, with determination and a strategic decision by Teheran, this could take two to three months, but a more realistic timeframe is one year. Moreover, the time to Iran’s expected “second path” to nuclear warheads, based on plutonium, could also become gradually shorter. In the heavy reactor in Arak in opens as planned in 2014, Iran might be capable of production of plutonium for a further one or

two warheads per year. Apart from that, Iran is also working on means of delivery, i.e., Shahab-3, Sejil-2 and BM-25 ballistic missiles, with ranges of 2,000 km, 2,500 km and 3,000 km, respectively.

**Room for Compromise.** Contrary to some media reports, the last round of talks between P5+1 and Iran was not about a lasting solution to the nuclear dispute, but only sought initial agreement. Such an agreement could increase the chances of a comprehensive agreement in the future. It is also clear that shortening of the eventual time to first Iran's warhead, and the nation's growing isolation, facilitated renewal of talks, which have been inconclusive since 2005. Since the election of President Hassan Rowhani in June, Iranian diplomacy has declared a will to solve the nuclear issue. Obviously, this is tied to the growing costs of the programme's continuation, and more acutely on Iran's economy. Therefore, it has become important for Iran to lower these international and internal costs, and to weaken the economic sanctions of the UN, the EU and the United States. It is expected that the end result of the renewed negotiations and final agreement would be a lower risk of the quick construction of the first Iranian warhead. In the case of an initial agreement, Iran might gain access to frozen assets in foreign banks, especially in Turkey and Asian countries. With progress in next the phases of talks, Iran could even dismantle the existing system of international sanctions completely. This would be economically profitable and offer a "face-saving" exit from the impasse. Other mutual concessions on both sides are also the subject of expert speculation. It seems that the West could eventually tolerate production of low-enriched uranium, which it has refused to Iran until now. In 2014, negotiators could move to final and effective control of uranium and plutonium production in Iran, which might more or less restrict the possibility of its nuclear arsenal build-up.

**The Wider Context of the Talks.** Compromise in the Iranian nuclear talks could be anchored in the fact that all members of P5+1 want to avoid a scenario of the military nuclearisation of Iran, and further destabilisation of the Middle East. Even France's objection to an interim agreement, in Geneva, was based less on the distinctive role attributed to the French and more on a desire for the precision of the initial agreement, for further steps, and for future support from countries that are not direct participants in talks. An initial and too flexible agreement with Tehran could be also torpedoed by the U.S. Congress, which holds a favourable opinion of the high effectiveness of sanctions against Iran's oil and banking sectors.

Currently, there is no certainty that new offers of P5+1 could satisfy Iran, or that its regime is interested only in buying time. For the U.S. administration, the "red line" on Iran is uranium enrichment above 20% and resumption of works by the team responsible for warhead construction. Many observers, however, believe that U.S. tolerance reaches beyond that stated in official declarations, and that only the testing of an Iranian nuclear device would prompt a strong reaction. On the other hand, the Israeli "red line" is uranium enrichment above 20% in a quantity enough for only one nuclear device, even without its test and integration with a ballistic missile. Of course, the big question mark lies over Iran's perception of the rigidity of these "red lines," and how seriously it takes them.

The final outcome of the talks will be also determined by the regional context. Clearly, there is need for full harmonisation in the interests of the U.S. and other powers with the interests of Israel and Saudi Arabia. If the U.S. were to back down from its "red line" this would compromise its credibility among traditional allies in the region. Israel perceives the prospects of a nuclear Iran as an existential threat. For Israel, any step over the "red line" might result in a review of its military options for nuclear installations in Iran. And, according to many opinions, an Israeli pre-emptive strike would be limited, and merely delay Iran's progress towards a nuclear arsenal. Israel and Saudi Arabia are similarly concerned about far-reaching compromises between P5+1 and Iran. Saudi Arabia has of late signalled once again that the first "Shia bomb" might also prompt it to reconsider its nuclear options, including taking delivery of a nuclear arsenal from Pakistan.

**Conclusion and Recommendations.** The next few months will show how serious Iran is about changes in policy. Continuation of its nuclear programme in its current form might result in deeper isolation and economic problems. It is also clear that, should Iran eventually obtain a nuclear arsenal, it would mean an even more complicated strategic situation in the Middle East, as well the collapse of the UN/IAEA system of non-proliferation regimes.

Despite changes in declarations of the Iranian government, it is impossible to draw conclusions about any changes in its strategic calculus and approach to talks with P5+1. Interim agreement may be very important, yet only a first step towards the "demilitarisation" of the Iranian nuclear programme. The essence of any final agreement arising from the nuclear talks will be dictated by the difference between the minimum nuclear capabilities required by Iran, and the maximum tolerated by the U.S. The detailed parameters of compromises should—even when not necessary—take into consideration concerns voiced by Israel and Saudi Arabia. Regarding clarification of details, the conditions and schedule for Iran and the P5+1 should be implemented in a few phases and in the longer term. The final verdict, on the success or failure of the talks with Iran, can lie only in the implementation of such a multi-phased plan in 2014.

From the point of view of countries not directly engaged in the nuclear talks (such as Poland) it is important that any possible pause in UN and EU sanctions against Iran, as well that their withdrawal, will be phased. However, there is no guarantee that unilateral U.S. sanctions will be lifted if Congress wants to sabotage any agreement with Iran. The swift realisation of any attractive economic offers made by Iran to individual European countries will not be possible, but any progress in nuclear talks with Iran might open up space for cautious political and economic contacts in future.