

Iran: Deal Done?

Robert Einhorn

Senior Fellow, Foreign Policy, Center for 21st Century Security and Intelligence, Arms Control and Non-Proliferation Initiative, Brookings Institution; Special Advisor for Nonproliferation and Arms Control, US Department of State (2009-13)

Ali Vaez

Senior Analyst, Iran, International Crisis Group

Chair: Dina Esfandiary

Research Associate, Non-Proliferation and Disarmament Programme, IISS

23 July 2014

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10 St James's Square, London SW1Y 4LE T +44 (0)20 7957 5700 F +44 (0)20 7957 5710
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Question 1

Just taking up the thread, Ali, of basically taking a lateral thinking approach, what you and Bob were saying is that Iran and the P6 have a common interest, it's just that they're a historical sticking point over these centrifuges, etc., which is stopping it from being realised. What could be introduced into discussions that gives the Iranians that bigger incentive to just sort of quietly bury the centrifuge issue, because they're going to get so much other stuff that's worth so much more to them that they don't care anymore about the centrifuges?

Robert Einhorn

A big incentive is the removal of sanctions. The sanctions are crippling Iran's economy, and I think it's already been agreed in the November agreement that with a comprehensive solution, all sanctions are removed. That's the big carrot, that's a big incentive for Iran.

Also, the E3+3 are offering various forms of co-operation, including in the civil nuclear area, which would help Iran achieve its goals. But an implicit incentive is that Iran could eliminate the isolation from the international community that's existed for quite some time now. Young people in Iran are very bothered by the fact that Iran is perceived as a pariah state. I think an agreement that committed Iran to be reintegrated in the international community would go a long way to incentivise Iran to come to terms.

During this period, there are different ways of getting from here to there. Ali has talked about a stepped up approach. I've suggested maintaining a low limit until the end of the duration, and then ramping up. But in the article that Ali mentioned, I talked about during the duration, enabling Iran to conduct the kind of research and development on advanced centrifuges which would allow it realistically to get to its ambitious goals, and also to learn how to fabricate fuel for these Russian supplied reactors. They can't do that now. But it's not unrealistic to think that they can do that in seven or eight years.

I think that the solution as far as I'm concerned, would be not for Iran to abandon its ambitious civil nuclear goals, but to defer them and to use this substantial period of time to prepare, to perform that civil nuclear programme effectively.

Let's not forget one important thing, why we're doing this negotiation. It's because for close to two decades, Iran violated its international obligations. I'm convinced that Iran pursued various research and experiments and procurement activities designed to acquire nuclear weapons. That's why we're in this difficult situation. Iran needs to earn the trust of the international community and that's going to take some time.

Ali Vaez

I would just add the fact that the Iranians accept that an amount of money and the Geneva agreement, which was surprising to many, 4.2 billion, was a way of signalling for them that this is not about money. People were really surprised, but this was part of a deliberate effort by the Iranians to say, 'We're not so desperate for sanctions relief that we're willing to accept a deal that is anything less than balanced.'

You see them repeatedly saying, 'We want the West to respect us. We want to be dealt with from a position of equal.' When there are statements from senior US officials saying, 'This is not about two equal members negotiating something, because Iran is on the wrong side and we're on the right side,' these kinds of arguments are very counterproductive I think. It results in backlashes that you see from the highest levels of Iranian government, coming and stepping up to the negotiating table, which the Supreme Leader did, and just making it more difficult for both sides.

The Geneva agreement, I think, at the end of the day was a balanced approach. We need a similar approach that is not based on who's morally wrong, who's morally right. It's based on, this is a deal. Both sides have done a lot of damage to each other's interests and both need to get some of what they want, but not all of what they want.

They have to look at the package, as I said. There are going to be components in that package that are not going to be satisfactory to one side or another.

Question 2

This is about managing risks, and we start from the position that's acknowledged by all, that Iran has not decided to build nuclear weapons, so we're looking for physical arrangements that give assurance that it would take time for Iran to break out. But more important, surely, is giving Iran reason not to want to break out. How do we do that? That's my first question.

My second question is, considering that the talismanic period of weeks, months or years before breakout, it seems counterintuitive solely to refer to the amount of time to create one significant quantity, the amount for one nuclear bomb, when we all know that actually building a bomb requires a great deal of weaponization work, which could take anywhere between six months and three or four years. Why don't you and others talk about weaponization timeframe alongside the timeframe required for one significant quantity? Thank you.

Robert Einhorn

On the second question first – because we can't see weaponization. We can't observe it. We can't monitor it reliably. So we're stuck with monitoring what we can observe, and with the help of the International Atomic Energy Agency, we're able to keep track of the process of producing fissile material for a bomb. Once they've producing enough fissile material, enough weapons-grade uranium for a single bomb, they can take it to a place, a hidden place, where we can't observe it anymore.

So for us to have a good handle, good confidence that they're not building the bomb, we need to look at the part which is observable. That's not weaponization. You're absolutely right. If there's an agreement, we need to... Iran needs to have incentives to keep the agreement. Not just strong monitoring measures, policing them to make sure they don't cross the line. But we have to begin to establish a better relationship with them so that they see that there are real political costs if they were to decide at some future date to break out and acquire nuclear weapons, they would have to realize they're sacrificing those good relationships.

They would have to realize that they could put themselves back in the penalty box, back in the situation where they would be subject to very tough sanctions. So implementing the agreement is just as important as concluding an agreement, and I think if agreement is concluded, we have to give Iran continuing incentives to stay on track. That involves a fundamental change in the political relationships between Iran and the West.

Ali Vaez

I agree 100 per cent with what Bob is saying about the need for positive incentives. We often talk about how we should threaten Iran in a way that it doesn't dare break out or pursue a nuclear weapon or it should calculate in a way that it feels like it would get detected if it decides to break out and it would be deterred by that.

Or even, we should pass authorization of use of military force. Whereas I think positive incentives by experience have proven to be much more effective and if Iran is integrated into the international financial system and the world economy, I think they will have much less incentive to pursue a weapon that at the end of the day they can't use and it's not necessarily making the country any safer.

But Richard, I agree with you 100 per cent on the question of breakouts, because when you talk to US congressmen, for example, they don't distinguish between breakout and the so-called effective breakout. For them, when John Kerry says that Iran is two months away from breakout, an ordinary congressman doesn't know technical details. They believe that Iran is two months away from having a bomb on a missile sending towards Israel or the United States.

I think we in the expert community and even the policy-makers have taken this concept too far. At the end of the day, this is a purely theoretical concept. Mark Fitzpatrick from Dina's institution always says that he doubles the breakout times, because usually there are technical problems. Or if you think about it from a strategic perspective, one bomb is worth of highly enriched uranium doesn't do you much good, because you have to test it and then you'd lose it. You don't have anything to deter an attack on your country.

You have to at least have material for two. That will multiply the breakout time by two. You can say that you need an arsenal. That will now multiply the breakout time by four. Then it all depends on what kind of efficiency number you use. This can't be the basis for a sound policy and a sound approach.

I think the choice is not between a six month breakout time or a four month breakout time, or a 12 month breakout time. The choice at the end might end up being between a six month breakout time and no deal at all, which means an unconstrained Iranian nuclear programme.

Robert Einhorn

Let me just extend my remarks for 30 seconds, because I agree. Positive incentives are necessary. But negative incentives are also. There need to be verification arrangements so that the Iranians are confident that if they were to break out and pursue a nuclear weapon, they would be detected almost immediately and there would be plenty of time for

the international community to react, if necessary, with the use of military force. That's essential.

Look, it would be one thing if we were talking about Japan or Norway. We're talking about Iran, which in my view had a dedicated nuclear weapons programme. So there have to be negative incentives, including the potential use of military force as well as positive incentives to ensure that there will be effective implementation.

Question 3

I just wanted to ask about something that was mentioned only in the Q&A, which was so-called VMDs, Iran's possible [indiscernible] programme and as you mentioned, one of the root causes of the dispute. How far do we have to go? Ali, you mentioned year 19. And said, what changes in year 19? Amongst the many things that I think people hope will change is first of all the character of the Iranian government, but that's just a crapsheet.

Number 2 is possible resolution of past activities, as well as transparency of present activities. So how much does it actually matter here? People talk about potential amnesties. Does all the revelations have to be explored in depth? How significant is it to understanding what Iran is doing now? Or can it or should it be brushed under the carpet? I welcome your views on those questions.

Dina Esfandiary

I'm going to take chair's prerogative and add the second question, and then I'll get back to everybody else. I had a question to both speakers on the amount of expectation management that's going to be going on now. So firstly, in Iran, when I was there last, the phrase that I kept hearing the most, or the term in Farsi was [indiscernible], which means, 'it's going to happen'. So the Iranian public clearly seems to think that a nuclear deal is about to happen. I don't see any preparation of failure at the moment. I'd be interested in your take and to see whether you're seeing any of this.

And Bob, in the US, is there a lot of thought being given to what if there is no deal? What will the day after no deal look like? Are we preparing for air strikes? Are we preparing for a return to the status quo?

Ali Vaez

On your question about PMD, this is key. It's one of the issues that has so far remained more or less unresolved. Look, I think it depends on what we want to achieve. I don't think the Iranians would ever, ever acknowledge that they at some point in the past, the programme had [indiscernible] dimension. They will never do that. The price is just too high. When you have leaders of the country who are all clergy saying that there is a fatwa, a religious edict against nuclear weapons, you will never acknowledge that at one point you had a weaponization programme.

I don't think there is a way around it. But the question is, is it necessary? Here I remember what Henry Kissinger used to say that the negotiators should be able to distinguish between the urgent and the important. I think the urgent is Iran's enrichment

capacity – verification, inspections. PMD is important, but it shouldn't stop the negotiators from reaching a deal. But several things can help the issue being resolved in a speedy way.

One is some kind of reassurance to the Iranians that whatever comes out of the IAEA's inspection process, the information is going to be confidential, like it has been the case with for example South Korea or Egypt or other cases with IAEA had similar inspections. Second, any discovery of something that shouldn't be there or some activity that should not have been undertaken, will not be used to punish Iran. That could be formulated in the agreement as it would be reported to the Security Council for information purposes only.

The third condition, and Bob and I have talked about this in the past that would facilitate the issue I think, is for the P5+1 to sort of zoom in on a list of priorities, on activities that if they continue in the future, could be problematic. This could be an open-ended investigation, and the Iranians actually fear that if the IAEA is able in a matter of six months to say, 'The PMD issue is resolved,' the legitimacy of the sanctions will be taken away because then Iran would have a purely peaceful programme. Why is it that it's under so much pressure?

So they believe that the West will never allow the IAEA to fully resolve this issue. I think narrowing down to a few subjects of importance and then keeping sanctions on the P5+1 side, until those issues are resolved...

Speaker

[Indiscernible – no mic]

Ali Vaez

That's their view. That's the Iranian perception. That's the Iranian perception. I'm not saying that I agree with that.

Speaker

[Indiscernible – no mic]

Ali Vaez

Yes and no, because part of... I mean, if you look at the information that the IAEA is using, a lot of it is single source information and a lot of that is coming from Western countries. So it's again, like everything else on this issue, it's very complicated.

Dina, on your question about the expectations, yes you're right, there's a lot of expectations in the country and President Rouhani has invested too much on this one single issue. If you look across the board on other issues, he hasn't really delivered much on his campaign promises. He has put all his eggs in the basket of the nuclear talks, which is very risky.

But I think the Iranians are not too worried about what happens domestically, because they have already set the stage of sending this signal that we made a genuine effort at resolving this issue, and we made everything in our power. Look, Secretary Kerry came to Vienna for two days. Foreign Minister Zarif was there for 20 days. So we really tried hard, did everything in their power, and if we didn't get a deal, it wasn't because we were inflexible, but it was because the West was the inflexible party at fault.

That's actually a message that everybody is comfortable with. Foreign Minister Zarif, Supreme Leader, everybody is comfortable with that message. Foreign Minister Zarif said, 'If I come back to Iran after a deal has failed, I'll be treated as a hero, because the hardliners can't attack me. They would have to accept that I didn't give up to bullying from outside powers.'

The population will be disappointed, I think. The reality is that the economic situation will not improve drastically, however, the population's options are also very limited. What can they do? Simply look around the region. They have no incentive of confronting the system on the streets.

Robert Einhorn

On the question about the military dimensions, I'm convinced that until at least 2003, Iran had a dedicated research programme to pursue nuclear weapons. I believe they put part of that programme on the shelf, because they were afraid after the US invasion of Iraq, and it's been more or less on the shelf since then.

But I think it's important that we develop confidence that those nuclear weapons related research activities are not going to resume in the future. I don't think we're going to get a full confession from Iran. Ali mentioned the fatwa. Governments aren't very good at confessing sins. That's not their strong point. This Iranian regime especially. That's not going to happen.

I don't think we have to have a full and complete confession from them. I think as Ali said, we have to prioritize, we have to know enough about the past to have confidence that these programmes will not continue in the future. It's not just that. It's also the monitoring measures we put in place going forward that's going to give us that kind of confidence. I think that can be achieved, but it's going to be very difficult.

On the narrative issue, let me say something about the Iran narrative. I think the Iranians have not done a very good job at building a narrative for the Iranian public that gives them some room to manoeuvre in the negotiations. I think it was especially foolish for the Supreme Leader to articulate publicly this inflated goal of 190,000 Separative Work Units. It's now become a battle cry for the Iranian hardliners. They have no idea what 190,000 SWUs are. But it's something that's absolutely a national birth right that they have to achieve in the negotiation.

I think Iran needs to begin preparing a narrative and the narrative needs to be something like the following. Yes, we have ambitious goals. We have ambitious civil nuclear programme, but we don't need to get there right now. We have a lot of work that we have to do – technical work, legal work, and so forth, to get ourselves ready to do that. We can

afford to take a long time. We're fortunate because we have the Russians who can provide us this fuel for the foreseeable future. The international market in fuel supply is generously supplied. We can rely on it.

But begin to create that narrative now, because I think they've narrowed their options. As far as the US is concerned, I think the administration has tried to give itself wiggle room, but the US Congress is making that difficult because the Congress is constantly talking about legislation that would say, 'We're only going to vote to lift sanctions if a certain kind of agreement is achieved.' The agreement that they're talking about is unachievable. It means zero enrichment in Iran. So it's very difficult.

I think the American need to create a narrative is pretty great now. It's going to be very hard to have compatible national narratives at this point.

Dina Esfandiary

Thank you very much. Well I would happily go on for the rest of the afternoon, but I've been given the signal to stop here, so I'm very sorry for those whose questions I wasn't able to take. Please join me in thanking our speakers.