

Pugwash Conferences on Science and World Affairs

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Pugwash-IPIS Roundtable Report¹

On 23-24 June 2019 a delegation from Pugwash travelled to Iran to participate in a specially-arranged two-day meeting organized together with the Institute for Political and International Studies (IPIS) in Tehran. The central focus of the discussions was the current status of the Joint Comprehensive Plan of Action (JCPOA), more than one year after the United States withdrew from implementing it, and the ensuing program of ever-tightening sanctions imposed by the US on Iran that has dramatically increased tension in the Middle East. The meeting also put this into context by looking at the regional situation of arms control, as well as Iran's relations with China, Russia, the EU, and its neighbours including Afghanistan.

Summary of key points

- With so-called 'secondary sanctions' applied by the US against other countries and businesses for trading with Iran, we are at a unique point in United Nations history where countries are being punished for upholding a UN Security Council Resolution (2231).
- The recent resumption of nuclear activities by Iran, in disagreement with the limits set by the JCPOA, is the result of an internal domestic compromise following the year of 'strategic patience' that brought no results in sanctions relief.
- The steps taken by Iran are viewed in reaction to the US withdrawal from the JCPOA and the lack of EU action since. It was stated several times that each step has been relatively small and is reversible.
- Iran is adamant that these steps are legal remedial measures, well within their right according to the Dispute Resolution Mechanism of the JCPOA outlined in paragraphs 36 and 37.
- The overwhelming emphasis of Iranian sentiment is that it is incumbent on the EU to make progress in providing sanctions relief according to the terms of the JCPOA. The main issue for Iran is to grant the capability of selling oil.
- If steps are not taken soon by the EU and US to address the economic obligations toward Iran under the JCPOA then the regional situation will continue to deteriorate dramatically.
- Further regional instability can provoke dangerous attitudes in other regional actors, particularly with respect to the Nuclear Non-Proliferation Treaty.
- On the current path, an Iranian exit from the JCPOA (and even the NPT) may become a possibility, even though Iranian authorities are far from keen to take this step which would serve only to promote a regional arms race.
- All countries must understand that the development of a civilian nuclear program without a serious system of international control will always create ambiguity with respect to possible military dimensions.

¹ This report was prepared by a rapporteur, Poul Erik Christiansen, Project Manager at the Pugwash Conferences on Science and World Affairs, to capture the discussions. Please note that the views presented here represent a range of opinions expressed in the meeting, and they do not necessarily reflect the personal views of the rapporteur, nor of the Pugwash Conferences as an organization. A large majority of the participants was from Iran, and this is reflected in the content of this report. The meeting was held according to traditional Pugwash/Chatham House rules to enable an open exchange of perspectives and exploration of creative possibilities for ways forward. Thus, the substance of the discussions can be reported out, but no item discussed can be attributed to any one individual. There was no attempt to seek consensus, and in fact the sharing of diverse views was encouraged.

Introduction

Iranian participants made clear that they hear the drumbeat of war. Recent American policy and actions were perceived as intent upon provoking conflict, but the assumption that regime change within Iran would follow from military strikes was seen as deeply misplaced. Similarly, the notion that President Trump's stated 'economic warfare' campaign would cause a collapse of Iran was seen as based upon poor and misleading information provided by regional actors. Rather, it was viewed as an economic war against ordinary Iranians that has not only unified the country against the sanctions but could result in stricter economic and political control for hardliners in Iran. There was a strong sentiment that US allies in the region had felt that the original negotiation and implementation of the JCPOA would lead to an acceptance and integration of Iran into the world economy that would threaten their own interests. They have thus been seeking to undermine and ultimately destroy the nuclear deal not based upon the non-proliferation merits of the JCPOA but on a logic of regional and international geopolitical competition.

US withdrawal from the JCPOA

At the time of the meeting, more than 400 days had passed since the US withdrew from implementing its obligations under the JCPOA, thereby violating both the nuclear deal and the UNSCR 2231. Participants viewed the US decision as being based on erroneous assumptions, in particular a misperception of their own interests, as well as those of their principal regional ally, Israel. Moreover, the notion that a 'better deal' was, and still is, available was viewed as a mistake, and a recent swell of American opinion that Iran should remain in the JCPOA was seen to reveal that across the board many now realize this to be true. Most Iranians were clear that they do not see any prospect of a new deal or of re-opening the JCPOA for re-negotiation; given the years of negotiation to reach the JCPOA it cannot simply be replaced by a 'two-page document'.

In spite of the re-imposition of US nuclear-related sanctions, as well as the punitive array of further sanctions, the IAEA had verified Iran's continued compliance with the nuclear deal 16 times up to 31 May 2019. The Iranian policy of 'strategic patience' following the announced US withdrawal in May 2018 was intended to provide the remaining partners to the JCPOA time to deliver upon the agreement and thereby enforce the deal as it was originally defined. This Iranian decision was said to be a 'domestic compromise' among the different factions of the political system, some of whom were firmly against the JCPOA itself and even advocated withdrawal from the NPT. Nevertheless, most Iranians believed that remaining in the JCPOA was in Iran's interests in the long-run, as well as those of the international community, but noted that without receiving the economic benefits that were part of the compromise there is little clear incentive to remain in the deal.

All participants were in agreement that the US withdrawal constitutes a violation of the JCPOA and UNSCR 2231. It was noted that we are now in a situation where, with so-called 'secondary sanctions' (or 'extra-territorial' sanctions) applied by the US against other countries and businesses for trading with Iran, we are at a unique point in United Nations history where countries are being punished for *upholding* a UN Security Council Resolution. European banks and businesses have abandoned Iran, and had it not been for ongoing Chinese and Russian activity, it was said that Iran would have left the JCPOA one year ago. One well-informed participant stated that globally all countries have decreased their trade volume with Iran in the past year, with the exception of one: the US has flouted its own sanctions regime but curiously increased its trade with Iran (primarily agricultural products sold to Iran). In sum, current US actions and policy were seen as dangerous and potentially devastating for the region as a whole, and in particular for international law.

Europe and the INSTEX mechanism

A critical discussion revolved around the role of the 'E3' (France, Germany, and the UK) and European Union in this respect, and particularly the plans to create a financial instrument (INSTEX). Participants presented three debates or 'camps' within Iran: first, that the EU has political will to deliver on its commitments in the JCPOA but has little or no capacity to deliver; second, that both political will and capacity exist but time is

needed to implement the INSTEX and deliver on the EU rhetorical commitments; third, that there is capacity but in fact there is no political will to challenge US policy. Increasingly, Iranians have coalesced to this latter position, viewing the EU-US relationship as a ‘good cop – bad cop’ scenario, in which the EU has drawn out the INSTEX implementation process in complicit support of the US economic warfare policy.

One participant summed up bluntly that the EU has done little of concrete value in one year, and if, as expressed by EU Foreign Policy Chief Mogherini, the JCPOA is a security instrument for the EU as well as the Middle East, then it must be invested in. Even if INSTEX were to become immediately operational it was deemed ‘useless’ as much as there is no money in it. The Iranian understanding of the INSTEX is that a significant inflow of cash into INSTEX will enable them to purchase the humanitarian goods and raw materials needed, based upon the sale and future delivery of oil which will be kept by Iran in reserve. On their side, Iran has created a reciprocal financial channel, the “Special Trade and Finance Institute” (STFI), and technical expert consultations with the EU have continued. Iranians were clear that they are working hard to implement all necessary conditions, such that Europeans will not be able to place the blame upon Iran for any failure. Frustration with EU inaction was widespread and furthermore many Iranian participants felt that there was no longer trust toward the Europeans.

On the one hand, some Iranians believed that the US threat of secondary sanctions against European business were in fact hollow: applying and actually implementing sanctions upon these big companies (particularly in oil) was not realistic and they should be willing to trade with Iran without fear of US reprisal. On the other hand, EU countries could quite readily buy oil from Iran by either pre-purchasing through INSTEX or giving credit based on future delivery. A proposal by a European participant with the goal of encouraging such negotiations was that the EU should open an office in Tehran to facilitate diplomacy on both economic and other issues. The baseline position of Iran was that the minimum they expect is to sell their oil, rather than to demand that big business return. Indeed, it was pointed out that if Iran cannot sell its oil then it would logically be against other regional countries using the Strait of Hormuz to sell their oil. Overall, many of those participating believed that the US policy of ‘zero oil’ exports for Iran is only causing regional tension and instability, beyond the severe hardship for the Iranian economy and the Iranian people.

An end to ‘strategic patience’

In this climate, it was made clear that the approach of Iran in the past year in order to keep the deal alive had to change. This shift was also presented as a ‘national consensus’ decision, from the Tehran elite up to the Supreme Leader. The announced steps to firstly lift the cap from the volume of stockpiled enriched uranium and secondly to increase the level of uranium enrichment above the 3.67% level were viewed as serious, significant, and yet *easily reversible*, “within a matter of hours.” A third step has not yet been decided upon within the Iranian bureaucracy: it was indicated that it could relate to the two remaining key provisions of the JCPOA, either lifting the cap on the number of centrifuges or modifying the extent of current R&D activities; equally under consideration would be smaller, incremental steps with respect to enrichment levels and the types of centrifuges deployed. Overall, many Iranians are confident that the measures taken are still in accordance with the JCPOA’s provisions on ‘Dispute Resolution Mechanism’: following the triggering of article 36, seeking remedy through the JCPOA Joint Commission, they are now acting under article 37, by which “Iran has stated that if sanctions are reinstated in whole or in part, Iran will treat that as grounds to cease performing its commitments under the JCPOA in whole or in part.”

Beyond hoping that the Europeans will implement and finance INSTEX, as well as modify it to allow not just humanitarian aid but trade as well, discussion touched upon prospects for Iran and the US to engage in some kind of dialogue or even negotiation. It was immediately pointed out that President Trump’s central demand of ‘no nuclear weapons’ was categorically responded to by Iran’s Supreme Leader in his meeting with Japanese President Abe in June 2018, and thus this ‘precondition’ is already present. Iranian participants also reiterated

what they see as a permanent commitment not to acquire nuclear weapons based upon the 2003 Fatwa of Ayatollah Khamenei, asking the international participants why this is not viewed as credible in the West. Furthermore, the threat of multiple preconditions was not viewed as a credible basis for initiating a dialogue. One participant conveyed that at the outset of the JCPOA negotiations the EU had tried to include discussions over the regional situation and the ballistic missile program of Iran but that the US was not prepared to include these because it would mean opening the whole sanctions regime against Iran, rather than limiting the scope of the deal to nuclear-related sanctions only.

Fundamentally, a central impediment to any future dialogue is the current sanctions regime: Iran has stated that it cannot negotiate with ‘a knife to the throat’, and with no clearly articulated US policy of what the sanctions will achieve, there appears an impasse. The central message from Iranians was that if progress was going to be made in recommencing dialogue with the US, the nuclear-related sanctions must be lifted. Here, the EU was seen as having the most significant role: it must take action itself with respect to trade with Iran, as well as potentially enabling Russia and China to become involved in INSTEX; and equally in engaging the US in talks to reduce tensions and re-start diplomacy. Naturally, it was accepted that a key challenge for the EU is that the US represents its main political and commercial partner, and going against the grain of widespread anti-Iran attitude in Washington is not an easy course of action.

Without significant changes by the US and the EU, the regional situation was viewed as becoming more negatively impacted, while Iran would also continue on its path to scale back its nuclear-related commitments under the JCPOA. Iranian participants relayed plainly that the purpose of the official policy is not to destroy the JCPOA but to save it – many were of the opinion this is a grave moment and may be the last chance to keep it in place. It was felt that the gradual withdrawal trajectory will make clear to the world that Iran has credible and serious options, including withdrawal from the NPT, and will not simply give way to US demands. Yet many Iranians were clear that following one positive step from the EU and US, Iran can reciprocate with a positive step of their own, encouraging a spiral of good will.

Regional politics and non-proliferation norms

Discussion also reflected on the regional and international context of the JCPOA: a central understanding within Iran was that the nuclear deal is not only about Iran but reflects the evolving global political landscape. Increasingly, Iran has not only shared strategic interests with Russia and China – and needs them both for economic, political and military support – but as non-aligned states they share a vision of countering US hegemony in the world, seen for example as promoting a de-dollarization of the world economy as part of a new international order. Nevertheless, it was made clear that none of the three countries see an axis or alliance developing, but rather strategic partnerships and cooperation, considering their quite divergent views on some key issues. One international participant stated that China views Iran as a regional power and a ‘stabilizing force’ in the Middle East. It was suggested that the original turn toward negotiating the JCPOA with Iran under President Obama was a recognition of China’s growing influence in Iran and the region more widely. In particular, China’s Belt and Road Initiative will not only lock in large levels of economic cooperation across many sectors but, with a planned investment of up to 30 nuclear reactors along the Silk Road, will bring an added non-proliferation challenge to the region.

One participant strongly felt the need to sensitize European and American audiences to proliferation problems occurring on the Arabian Peninsula which threaten to undermine the global nuclear order. It was pointed out that external support of the Saudi nuclear program is in contrast to the achievement of the JCPOA. For example, Saudi Arabia has not accepted the IAEA Additional Protocol (or even signed the CTBT) and is openly hostile toward constraints including inspections and monitoring; Iranians were clear that both the JCPOA and any future possible deal would certainly involve the IAEA performing such tasks. One Iranian participant asserted that Saudi Arabia has the right to develop a civilian nuclear program but that they must

strike a balance on inspections and monitoring in line with global legal obligations. It was noted that, ultimately, all countries must understand that the development of a civilian nuclear program without a serious system of international control will always create ambiguity with respect to possible military dimensions.

One clear avenue presented for de-escalation of the situation was the Nuclear Weapons-Free Zone (and WMD-Free Zone) proposal, a long-standing initiative supported by Iran in the UN. It was perceived that ‘Arab League frustration’ led to the transfer of the idea of a regional conference away from the NPT and now under the auspices of the UN General Assembly, with the conference planned to take place in November 2019. While Iranian officials welcomed the conference, there remained wider scepticism of how useful it will prove without Israeli participation. In this vein, it was noted that Israel remains the only regional state to possess nuclear weapons and that this greatly affects the balance of power in the region. As expressed by one Iranian participant, the only guarantee of peace and security is the total elimination of nuclear weapons. The upcoming 2020 Review Conference was viewed as being precariously affected by all of these developments. One participant cautioned that, ultimately, any Iranian withdrawal from the NPT would lead to a Middle East arms race and the potential unravelling of the NPT itself, and every effort from Iran and international partners must be made to avoid such a scenario.

The Middle East continues to be characterised by conflict and war, and it was observed that many actors both inside and outside of the region have ‘blood on their hands’. The wars in Syria, Yemen, and Iraq, as well as the conflicts in Afghanistan and the Palestine-Israel problem, have all seriously affected Middle Eastern populations, bringing unbearable suffering, economic costs, and flows of refugees. Participants observed that the rise of extremist ideologies represents the greatest threat not only to the region but to the world, and that all countries have an interest in actions that can define and analyse the problems more clearly rather than pursuing short-term, self-interested policies. For example, European states refusing to allow the return and trial of their own nationals who fought for Daesh exacerbates an anti-Muslim perception. In this respect, one participant felt that oppressed, occupied, or persecuted Muslim communities would continue to be fertile grounds for recruitment of disillusioned youth by terrorist groups inspired by Wahabi ideology. It was said that stability in the region must begin with security for all, the promotion of mutual understanding between governments and their populations, and a decreasing reliance upon external arms and military support.

The irony was felt that the JCPOA represents the only example where diplomacy has toned down conflict and provided some success in the region. An effort should be made to establish a ‘regional dialogue initiative’ that would facilitate reduced aggression and promote regional security and mutual understanding. It was pointed out that the ‘non-aggression agreement’ proposal of Foreign Minister Zarif to the Persian Gulf neighbours has not been responded to. All Iranians in the meeting expressed support for such a forum that could help in the elimination of conflict and war in the region, and this is a task that, in its limited capabilities, Pugwash, could try to help with.

At this present time, there is an urgent need to lower rhetoric across the board and to seek out confidence- and security-building measures that decrease regional tension. As part of this, it was felt that Iranian narratives and arguments concerning the nuclear program as well as the region must be presented to other audiences, particularly European and American, in order to promote understanding and a clearer image of Iran’s interests and positions. The dangers of the regional situation spiralling and escalating out of control not only pose serious problems across the Middle East but will also impact Europe and the nuclear non-proliferation regime.