

QUICK POLICY INSIGHT

Iranian nuclear talks: Has the time for diplomacy run out?

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The negotiations on the Iranian nuclear programme between Iran and the P5+1 group (the five permanent members of the UN Security Council and Germany), which resumed in Moscow on 18 and 19 June 2012, have **failed to produce a deal**.

Iran, whose delegation was headed by the Secretary of the country's Supreme National and Security Policy, Saeed Jalili, reiterated its right to develop nuclear energy under the Non Proliferation Treaty (NPT) without further limitations. On the other hand, the P5+1 countries, represented by EU High Representative for Foreign Affairs and Security Policy (HR) Catherine Ashton, held to their aim of curtailing Iran's enrichment activities.

The two parties failed even to agree on a new round of negotiations, deferring the decision to hold further talks until after an 'expert meeting' is held on 3 July in Istanbul.

As scheduled, the **EU's oil sanctions will come into force on 1 July**, followed by further **US sanctions from mid-July**. Because diplomatic channels have failed to resolve the nuclear issue, chances may increase that Israel will launch a military strike on Iranian nuclear facilities.

Nuclear talks with Iran in Moscow

The negotiations in Moscow followed inconclusive talks between the P5+1 group and Iran held in Istanbul and Baghdad over the past two months. Besides several bilateral meetings, representatives of the P5+1 group and Iran held five rounds of talks on Monday and Tuesday. The two parties replied to the offers that had been advanced in the previous talks and reiterated the same **proposals** they had advanced in Baghdad.

After only one day, it appeared the P5+1 and Iranian proposals would be 'hard to reconcile'.

Michael Mann, the spokesperson for HR Ashton and the P5+1 group, told reporters at the end of the first day that the atmosphere was good, and the two parties had offered an 'intense and tough exchange of views'. Jalili's deputy Ali Bagheri confirmed this, calling discussion 'very serious and constructive'¹. However, no breakthrough was reached and the two sides' positions were characterised as 'hard to reconcile'².

The two sides' proposals	
P5+1 GROUP	IRAN
<p>Demands that Iran:</p> <ul style="list-style-type: none"> ❖ stop the enrichment of uranium to 20 %; ❖ ship its stockpile of 20 % enriched uranium out of the country; ❖ close down the facility of Fordow 	<p>Demands that world powers:</p> <ul style="list-style-type: none"> ❖ lift the oil sanctions; ❖ recognise Iran's right to enrich uranium; ❖ discuss regional issues such as the situation in Syria and Bahrain
<p>Offers Iran:</p> <ul style="list-style-type: none"> ❖ 20% enriched uranium as a fuel for the Tehran medical research reactor and help with nuclear safety, ❖ lift sanctions on Iran's passenger planes. 	<p>Offers the world powers:</p> <ul style="list-style-type: none"> ❖ full transparency about its nuclear programme; ❖ full cooperation with the IAEA.

Intense talks did not result in an agreement.

Despite the Russian delegate's effort to broker an agreement among the parties, the second and last day of negotiations ended without an accord. Rather than scheduling a subsequent round, the parties only agreed to the following:

- ❖ an expert meeting on 3 July in Istanbul to further evaluate proposals from the P5+1 and Iran;
- ❖ follow-up contact between the chief negotiators' deputies, Helga Schmid and Ali Bagheri;
- ❖ contact between Ashton and Jalili about the prospect of a future high-level meeting.

In her **statement** after the talks, **Ashton** welcomed the 'detailed, tough and frank exchanges' she had held with Jalili, as well as the fact that they

¹ Fars News Agency, *Iran, six world power start second day of crucial talks in Moscow*, <http://english.farsnews.com/newstext.php?nn=9103082740>

² BBC News, *Iran nuclear talks in Moscow 'yield no breakthrough'*, <http://www.bbc.co.uk/news/world-middle-east-18481827>

When Catherine Ashton concluded by saying 'now the choice is Iran's', her Iranian counterpart responded, 'now the P5+1 should make a choice'.

'begun to tackle the critical issues' — a reference to uranium enrichment, a topic categorically excluded by the Iranians previously. However, Ashton also concluded on a decidedly more negative note than she had in the past, conceding that 'there are significant gaps between the substance of the two positions', and that '**now the choice is Iran's**'³.

For his part, **Jalili** described the talks as 'more serious, more real and beyond a simple expression of stances', and welcomed the expert meeting scheduled for 3 July. As in previous talks, Jalili described uranium enrichment as Iran's inalienable right, and said that the first step for any future discussions would be P5+1 group's recognition of this right. Echoing and opposing Ashton's words, Jalili said that '**the Group 5+1 should now make a choice**'⁴.

Tensions before the Moscow negotiations

The 25-day interlude between the previous talks in Baghdad and the Moscow round was marked by a number of events that contributed to a negative atmosphere for the negotiating parties and, ultimately, to the failure of the talks.

Among the events that soured the talks was a lack of earlier progress in the IAEA-Iran discussions.

Following a positive speech made in May by the Director General of International Atomic Energy Agency (IAEA) Yukiya Amano regarding a possible agreement between the **IAEA and Iran**, new uncertainty arose in the last weeks. First, recent articles in the news suggested that the IAEA had detected uranium enriched to unacceptably high levels (27%) in Iran, although officials were also quoted as saying this could be a technical anomaly. At the end of May, Iran also refused to give IAEA inspectors access to the Parchin nuclear site. The IAEA had requested inspections after reports emerged about an Iranian attempt to cleanse the nuclear site in order to eliminate potential evidence about past nuclear weapon development⁵. Iran's refusal led to the conclusion of last talks between the IAEA and Iranian officials in early June with 'no progress'⁶.

In the meantime, the **EU and Iranian chief negotiators' deputies** accused one other of wasting time in order to prolong the standoff. In an exchange of letters Ashton's deputy Helga Schmid wrote that 'Iran was not prepared to take up our suggestion to enter into discussion on the substance of the proposal'⁷.

While Jalili's deputy Ali Bagheri accused the EU of avoiding the deputies'

³ European Union, *Statement by High Representative Catherine Ashton on behalf of E3+3 following talks with Iran in Moscow*,

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/131067.pdf

⁴ Fars News Agency, *Top negotiator calls uranium enrichment 'Iran's inalienable right'*,

<http://english.farsnews.com/newstext.php?nn=9103082828>

⁵ Institute for Science and International Security, *Further Activity at Suspected Parchin Explosive Testing Complex: Two Small Building Razed*, http://isis-online.org/uploads/isis-reports/documents/Parchin_site_activity_May_30_2012.pdf

⁶ BBC News, *'No progress' at Iran Nuclear Talks - UN watchdog*, <http://www.bbc.co.uk/news/world-middle-east-18370334>

⁷ EU Observer, *Setbacks for EU diplomacy on Iran and Syria*, <http://euobserver.com/24/116551>

The EU and Iran both accused one other of wasting time.

meeting to be held before the Moscow talks (as agreed in Baghdad) and failing to draft a joint agenda to be discussed in the negotiations. Both sides accused the other of thwarting the chance of a deal in Moscow⁸.

Finally, **several bilateral and multilateral meetings** took place among the main actors before the Moscow talks. On 11 June, the P5+1 representatives met with Ashton in Strasbourg to shape the discussions to be held in Moscow. The group agreed on the need for Iran to follow the proposals that had been advanced in Baghdad⁹. Russia's Foreign Minister Sergei Lavrov, who went to Iran before the nuclear talks, had also confirmed Iran's desire to reach an accord on its nuclear programme¹⁰. Yet Lavrov's visit to Iran raised eyebrows.

Iran's nuclear obligations

As a party to the Non Proliferation Treaty (NPT), Iran has agreed that its nuclear programme will comply with the Treaty's safeguards and other obligations.

Iran has not fulfilled all its commitments under the Non Proliferation Treaty.

Yet since 2002, the country has repeatedly failed to fulfil its commitments — in particular, by omitting to declare some of its nuclear facilities and activities to the IAEA, and to provide inspectors from the IAEA full access to its nuclear sites. The disagreement between Iran and the IAEA has led the international community — and the US and EU in particular — to apply several rounds of **sanctions** against Iran in the hope of forcing the country to comply. Since 2006, the P5+1 group has also held **negotiations** with Iran's delegates to find a diplomatic solution. This 'twin track approach', which involves simultaneously imposing sanction and holding talks, constitutes the backbone of EU's strategy.

Yet the IAEA has yet to find any evidence of a military dimension to Iran's nuclear programme.

The international community's key concern centres on Iran's production of enriched uranium, which can be used for energy production and medical research reactors, but which can also be enriched beyond 20 % for the production of nuclear weapons. To date, the IAEA has found no evidence of a military dimension to Iran's nuclear programme. Yet given Iran's unwillingness to collaborate completely, the Agency has repeatedly declared its inability to confirm the peaceful nature of Iran's nuclear programme.

What now?

The lack of agreement in the Moscow talks left little chance for a diplomatic solution of Iran's nuclear crisis. This was confirmed by the downgrading of the next meeting between the two parties, scheduled to take place in

⁸ ISNA, *Iran invites Ashton's representative for talks for the 2nd time*,

<http://isna.ir/en/news/91031709427/Iran-invites-Ashton-s-representative-for>

⁹ European Union, *Statement by the Spokesperson of EU High Representative Catherine Ashton on the Iranian nuclear issue*,

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/130807.pdf

¹⁰ The Voice of Russia, *Lavrov talks international agenda in Iran, Afghanistan*,

http://english.ruvr.ru/2012_06_16/78339980/

Istanbul at the beginning of July between experts of both sides. **Iran and the West remained divided** on the principal issue of uranium enrichment. Iran seems unready to accept any suspension of its enrichment, unless the EU and the US lift their tough economic sanctions against the country.

The US, the EU and Iran all had an interest in finding an agreement.

The Moscow round was the last chance for both parties to find a negotiated solution to the Iranian nuclear issue before the EU's and the US's oil sanctions come into force, on 1 July and 13 July respectively. The major **risk Western powers face** in implementing the oil embargo against Iran is a **higher price of oil**. That may create further problems in the financial markets and consequently worsen the already troubled Western economies.

As for **Iran**, its oil exports dropped by 40 % in 2011, according to the International Energy Agency. Since Iran's oil and gas exports account for 60 % of Iran's revenues¹¹, the failure of negotiations and the embargo will probably lead to a further deterioration of Iran's economy. More than in the past, international sanctions have begun to seriously affect the Iranian economic system. Both inflation and the cost of goods have increased in the country, and sanctions have begun to undermine the everyday life of Iranian people, as well as the general stability of the country's economy. However, Iran's intransigency may be explained by its desire to prolong negotiations in order to obtain greater concessions from the West.

Iran's nuclear issue is a political matter that requires a political solution.

The agreement of the P5+1 and Iran to hold an **expert meeting** constitutes an admission of failure to a large extent. The Iranian nuclear issue has never been a matter for 'experts'. From the first moment that the Iranian nuclear programme came to international attention 10 years ago, the matter has been treated as a political affair requiring a **political solution**. By embarking on 'a period of reflection' the two parties further underscored their inability to solve the issue.

Other parties beyond the negotiating table have been following the discussions closely. Many countries in the Middle East — including those who ship their oil through the Strait of Hormuz¹² — are focused on the situation. Israel in particular has previously threatened to launch a military strike if Iran pursues its nuclear programme. And while the failure of the Moscow round — and the negotiations in general — may suggest to some that Israel is more likely to embark on military action, most independent analysts discount this scenario. A military strike, they say, would need to be discussed with the US and is highly unlikely to succeed.

¹¹ BBC News, *Squeezing Iran: Oil and Sanctions*, <http://www.bbc.co.uk/news/world-middle-east-10727616>

¹²

http://www.expo.ep.parl.union.eu/expo/webdav/site/myjahiasite/shared/podp/documents/Regions_and_countries/Euromed_and_Middle_East/iran_global_pressures_2012.pdf