



## Dispute with Iran: A Strategic Risk Assessment Tool for the Nuclear Talks

*by Dr. Carsten Giersch*

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### **BACKGROUND TO THE NUCLEAR DISPUTE WITH IRAN**

The core of the conflict is a serious lack of trust on part of the United States and the European Union regarding Iran's real intentions driving its nuclear program. Is the program, which includes uranium enrichment to a level of 20 per cent for peaceful purposes only, i.e. for generating nuclear energy and for medical treatment? This is what the government in Tehran maintains. Or, is this authoritarian regime actually striving for creating the conditions necessary to build nuclear weapons. This suspicion is commonly held in Western capitals and security agencies.

The highest religious authority and supreme political leader of Iran, Ayatollah Khamenei, has repeatedly declared that Iran is not striving for nuclear weapons, because they are judged to be unethical and useless. But can he be trusted? And, even if he is serious today, will his declarations still be valid in the future and under different circumstances? How reliable is Iran, a peculiar Islamic regime with restricted elections, and based on the military power of the Revolutionary Guard.

The West demands no cheap verbal commitments but verifiable guarantees that Iran, should it become a so-called 'nuclear threshold state', will not break out of the nuclear "Non-Proliferation Treaty" (NPT) and construct atomic warheads that can be planted on middle-range missiles. Iran is a member of the NPT and while entitled to operate a nuclear program for generating nuclear power, it has to abide by the strict rules of supervision by the International Atomic Energy Agency (IAEA).

Iran's clandestine advancement of uranium enrichment in the past, its lack of cooperation with the IAEA inspectors and various intransparent activities which point at experiments possibly related to the development of a nuclear weapons capacity, summarized in an IAEA report in November 2011, has now caused the latest escalation in the conflict.

Facing Iran's continuous hostile propaganda, Israel's current government of prime minister Netanyahu, is threatening to launch unilateral military strikes against relevant facilities in Iran, in order to prevent the regime from acquiring nuclear weapons. The US has remain ambiguous regarding the option of military interdiction, but US president Obama has also committed himself to pursuing military prevention, should a political solution fail, ruling out that Iran could be allowed to become a nuclear military power.

Although Iran is clearly not complying with international law and defying a number of resolutions issued by the UN Security Council, which ordered Tehran to stop uranium enrichment and to cooperate with the IAEA, UN sanctions imposed on Iran within these resolutions do not authorize the use or threat of military force against Iran. Russia and China are strongly in favor of a political solution and also remain skeptical towards the harsh financial sanctions and the oil embargo, which the US and the EU have unilaterally decided to impose on Iran. These sanctions are expected to exert a heavy impact on the country's economy.

Against this background of increased pressure, the resumption of international talks with Iran in April 2012, is regarded as a positive step. Multilateral diplomacy involves the EU and the five permanent members (P5) of the UN Security Council, China, France, Russia, the United Kingdom and the United States, plus Germany (P5+1). Given the protracted history of the dispute with Iran and the complicated relations between the antagonists, the chances of success for a diplomatic solution are difficult to ascertain.

A good starting point is to look at what might be a comprehensive and balanced approach towards reaching a settlement. For example, The *Federation of American Scientists* published a [Special Report](#) "Towards Enhanced Safeguards for Iran's Nuclear Program" (Ali Vaez and Charles D. Ferguson) in October 2011, which excels not only for its technical expertise but also for drafting a sequence of steps that might in fact lead to a possible deal between the parties (*see box below*).

This kind of carefully orchestrated, step-by-step approach is built on the recognition that there might be enough common ground for a grand bargain, if the political will to observe some basic principles exists. Such principles include: non-discrimination, focus on nuclear security and safety, acknowledgement of Iran as a civil nuclear power, exclusion of nuclear weaponisation, normalization and prospect of prosperous relations.

**Step-by-step approach according to the FAS Report "Towards Enhanced Safeguards for Iran's Nuclear Program":**

- Iran stops uranium enrichment at the 20 per cent level and is provided with 20 per cent enriched uranium for production of nuclear medicine in the Tehran Research Reactor.
- Iran ratifies an additional protocol to its comprehensive safeguards agreements with the IAEA and commits to implement the Code 3.1 (requiring early notification of new nuclear facilities).
- The US and EU ease unilateral sanctions, if Iran fully cooperates with the IAEA and answers all remaining questions regarding its nuclear program.
- Iran is offered a new package of incentives focusing on investments in the development of the Iranian oil and gas sector.
- Iran denounces article X. of the NPT, effectively giving up the right to exit the treaty.
- The P5+1 recognize Iran's right to enrichment, under defined conditions.
- Iran briefly suspends its uranium enrichment.
- The UN sanctions are removed.
- The UN security council passes a resolution defining the consequences of a "breakout" from the NPT for any country.



Figure

## ASSESSING THE NEGOTIATION PROCESS

Although feasible blueprints for the negotiations exist, a great number of conducive factors will have to collude, in order to achieve a diplomatic solution for the nuclear dispute. For the purpose of assessing the negotiation process, those factors which are critical for a positive outcome have been defined as success criteria and sorted systemically into six dimensions of conflict resolution. As displayed in the figure above, the six dimensions include (A.) *Multilateral diplomacy within the international context*, (B.) *Instruments for conflict regulation*, (C.) *Conflict structure and motivation of key actors*, (D.) *Solution concept for the conflict*, (E.) *Regional conflict setting*, and (F.) *Time horizon and momentum*.<sup>\*</sup>

The enumeration is not meant to indicate any order of importance or sequence; each dimension needs to be considered equally, since each may contain criteria that are critical for the successful outcome, and strategically, because of the high degree of interaction between these criteria.

For example, finding a solution formula (D.2) will require a united and consistent negotiation strategy (A.1), which, while ensuring the effectiveness of sanctions (B.2), may also have to accomplish a reframing of status issues (C.1); moreover, a deal will require domestic support in Iran and the US as the most relevant countries, and may be fostered if regional security issues are addressed too (E.2, E.3). However, any progress will depend on the gradual implementation of concessions (D.3) within a limited window of opportunity (F.2). This is to exemplify one possible way of reading the table; the strategic reasoning process can begin with any success criterion and then work forwards or backwards.

Each success criterion, if not met, may, however, become a source of risk to a diplomatic solution, stalling progress, causing stalemate, or even resulting in a breakdown of the talks. In other words, if success criteria are not fulfilled, they are not just missing, but risk scenarios replace them. How this might happen will be explained in the following section.

## GUIDANCE TO THE STRATEGIC RISK ASSESSMENT TOOL

The guidance contains a concise explanation of the six dimensions which need to be observed in the negotiation process with Iran. Each dimension is broken down into three success criteria which need to be met in order to promote a diplomatic solution. The 18 criteria are also briefly outlined, each of which concludes with a risk scenario, should a negative assessment of the criterion take place. Finally, all risk scenarios are summarized in an overview table at the end of this study, which will enable the user to develop a comprehensive strategic risk assessment for the negotiation process at any time throughout the course of the coming weeks.

### A. Multilateral diplomacy within international context

This dimension concerns the nature of multilateral negotiations involving multiple countries, different from bilateral negotiations between two countries. If one party in a conflict includes a number of players, this can be a strength or a weakness. It is a strength if all speak with one voice, putting their combined weight behind a joint approach. It is a weakness if disagreement arises, since this will reduce the need for the opposing party to make substantial concessions. Moreover, multilateral negotiations take place in an international arena with the world opinion watching and judging the compliance of all players with

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<sup>\*</sup> The analysis of the dimensions and critical factors for conflict resolution are based on the authors book: *Risikoeinstellungen in internationalen Konflikten* ("Risk attitudes in international conflicts"), Wiesbaden: VS Verlag, 2009. The risk assessment methodology is inspired by Yacov Y. Haimes: *Risk Modeling, Assessment, and Management*, Hoboken N.J.: John Wiley & Sons, 2004.

international law. Finally, multilateral diplomacy usually concerns disputes of international relevance, with possible repercussions on the global economy which may resonate as a result of the negotiations.

### **A.1: United and consistent negotiation strategy**

In multilateral negotiations, the party consisting of several countries needs to act in a united fashion in order to be able to pursue a joint and consistent strategy. Any failure to do so will be exploited by the opposing party which will try to play the multiple actors off against each other. In the present case, the multilateral actor is the UN Security Council, or rather its permanent members, plus Germany ("P5+1"). Of particular concern are disagreements between the Western states on the one hand, and Russia and China on the other, primarily regarding the use of sanctions as a success criteria for a negotiated solution. If Russia and China signal that they retain a separate strategic agenda, Iran will have the opportunity to take advantage of the rift within the P5+1, and to resist Western demands in the negotiations.

It should be noted, that in the given delicate context the responsibility of brokering a deal cannot not be delegated to an intermediary third country, such as Turkey or Brazil. Moreover, even though the concerns of regional players, such as Israel and Saudi-Arabia, should be represented in the P5+1 strategy, any attempts of direct intervention in the negotiations on part of these countries may become a source of controversy in the UN Security Council.

***Risk scenario A.1:*** *The international community fails to pursue a united negotiation strategy due to disagreement between the US and European states on the one hand and Russia and China on the other, mainly due to differing approaches towards regulating the conflict and separate geopolitical agendas.*

### **A.2: Compliance with international law**

International conflict resolution evolves in the context of the UN Charter and relevant international treaties. Any discriminatory interpretation or selective application of international law invites the party concerned to complain about 'double standards' and to retort in a similar manner. Military threats against Iran, unilateral sanctions on top of UN sanctions, the mysterious killing of Iranian nuclear scientists, the West's interpretation of the 'dos and don'ts' according to the NPT, have been used by Iran as a pretext not to respond to international demands regarding its nuclear program. The pledge by all parties to indiscriminately comply with international law might be conducive to foster the negotiation process.

***Risk scenario A2:*** *The continuous exchange of mutual accusations regarding discriminatory legal treatment and non-compliance with international law respectively impair talks about factual issues.*

### **A.3: Economic sustainability**

Sanctions applied in the context of multilateral diplomacy not only affect the target country but may also have a serious destabilizing effect on the world economy, in particular when the supply with crude oil is involved. High oil prices also hurt the states that imposed the sanctions, while reducing the costs of sanctions for the target country. The oil embargo against Iran is a double-edged sword in that regard, particularly in view of the precarious economic situation currently facing various EU member states. In a time, when the world economy is striving for recovery from the latest crisis, rising oil prices might therefore lead to a mutual out-bidding in endurance, testing the West's resolve to sustain the economic sanctions.

***Risk scenario A.3:*** *Any signal of ambiguity regarding the West's resolve to bear the economic costs of its oil embargo may increase Iran's resilience against making concessions in the negotiations.*

## **B. Instruments for conflict regulation**

The meaning of 'conflict regulation' is broader than 'conflict resolution' and encompasses all measures that might be employed in order to promote a settlement. Thus, apart from actual negotiations, conflict regulation also includes any strategic moves using leverage and incentives, such as threats and promises, punishment and rewards, and, in case of military diplomacy, also armed force. All these instruments, more commonly known as "carrots and sticks", ultimately aim to change the conflict behavior of a targeted party, but there is a risk that they may not always work as expected.

### **B.1: Reduction of tension**

It is difficult for conflict parties to gain confidence in a negotiation process if they continue to entertain hostile relations. From a socio-psychological perspective, negative mutual attributions are a major barrier, for example, the assumption of the other party's bad intentions due to an evil disposition. A reduction of tension is therefore considered to be a major prerequisite for signaling each other good faith in the possibility of reaching a constructive settlement. In contrast, continued provocations and disparagements entail the risk of halting the process of trust-building, at any time. The US and Iran have a history of exchanging insults and need to abstain from any such provocations if they want to enter path of eventually normalizing their relations.

***Risk scenario B.1:** A continued display of hostility such as threats, provocations, and disparagements fail to reduce the tension between the parties. As a consequence, the building of mutual trust and confidence in a political solution is impaired.*

### **B.2: Effectiveness of sanctions**

Economic sanctions must to be regarded as an ambivalent tool for changing the behavior of a conflict party. Such sanctions can be effective under certain conditions but as a means of punishment they may also harden the conflict resolve of the target. In order to be effective, sanctions must be uniformly observed by the international community, ideally not providing major loopholes. They should include financial sanctions, in order to increase isolation and pressure. And, they need to target key sectors that are vital for the economic viability of a regime. Such sanctions will carry severe costs, but they may also close the ranks within a regime and will be used to mobilize the population to endure the hardship of such allegedly unjust punishment, and to resist the pressure. Harsh sanctions therefore, also work against improving the relationship between the conflict parties, which suggests developing a meticulous plan of the conditions, under which the sanctions might be eased or suspended. The negotiations with Iran clearly display that dilemma. The UN sanctions, and unilateral sanctions by the US and the EU (not unequivocally supported by Russia and China), are quite extensive, but they carry the risk that Iran may only be willing to negotiate if provided with a clear outlook of a procedure for lifting the sanctions.

***Risk scenario B.2:** The economic sanctions fail to persuade Iran, either due to loopholes and international criticism, or because they harden the resolve of the regime, if it is not given the prospect of relief.*

### **B.3: Attractiveness of rewards**

As with the effectiveness of sanctions, the attractiveness of rewards mainly depends on the target's own perception. In order to provide a positive prospect of gains which might be achieved through a negotiated settlement, promises need to go beyond the practices common in friendly diplomatic relations. A general enumeration of areas of possible future cooperation is not likely to be perceived as particularly rewarding; such cooperation will be seen as cheap and taken for granted within a settlement. An attractive reward may require the costly financial engagement by those countries that have imposed sanctions, in the first instance. The harsher the sanctions the more important it is to make offers of substantially

beneficial cooperation in the event of a negotiated agreement. In the case of Iran, the proposal to invest in the development of the gas and oil industry would be the obvious choice. In a 'carrot and sticks'- strategy of conflict regulation there is always a risk that the carrot may be too small to work as an incentive. Given the scale of international sanctions, Iran has already accepted serious costs; it may not be ready to make a deal without being offered rewards which it can frame as compensation.

***Risk scenario B.3:*** Promises of rewards fail to persuade Iran because they are not perceived as a prospect of benefits substantial enough to work as a positive incentive.

### **C. Conflict Structure and motivation of key actors**

For any conflict that has escalated to the level of the imposition of sanctions and the exchange of military threats, it is essential to understand that the key motivations of the actors involved are likely to be influenced by status issues which surround the core of factual issues. While the P5+1 aim to prevent Iran from achieving the status of a military nuclear power, Iran's status motivations driving its nuclear program may be related to securing its national sovereignty and enhancing its independence from the West, as well as to bolster its role as a regional power in the Middle East. If these status issues are not acknowledged and addressed, dealing with the factual issues will remain difficult. Other criteria to be included in the assessment of this dimension are mutual recognition and domestic support as major conditions for a negotiated solution.

#### **C.1 Reframing of status issues**

Even if Iran were not intending to build a nuclear weapon, the nuclear program may still serve to demonstrate its prestige and ambition of being recognized as a leading regional power in the Middle East. Therefore, claiming the right to uranium enrichment, which represents Iran's technological capability to master the nuclear fuel cycle and being able, at least in theory, to develop a nuclear weapon, has become the preeminent status issue in the dispute. With regards to the international context, Iran entertains long-standing rivalries with the US, Israel and Saudi-Arabia, in which the nuclear matter has come to play a fundamental part in what is perceived as a strategic game of regional dominance vs. subordination.

Iran prides itself of standing up to the United States, the still leading world power with a strong presence in the Persian Gulf region; at the same time, it suffers from a lack of formal diplomatic recognition and accuses the US of continuously striving to topple its regime. The strained and confrontational bilateral history since the Islamic revolution Iran in 1979 has turned the relationship between the US and Iran into a status conflict, par excellence.

The rivalry with Israel, while most certainly motivated by sincere anti-semitism, is also being instrumentalized, in order to demonstrate to the world that Iran is the leading international stakeholder of the Palestinians' cause (in view of alleged complacency by the Arab countries). Iran's hostile rhetoric against Israel and support of terrorist activities are countered by Israel's military threats and covert action against nuclear facilities and personnel.

Finally, the revolutionary Shiite Republic Iran faces the conservative Sunnite monarchy of Saudi-Arabia. This relationship involves more than the religious rivalry between the leading proponents of Shiite and Sunnite Islam. Saudi-Arabia is also a long-standing trading partner and military ally of the US and is seeking to unite the other Gulf monarchies against Tehran's alleged claim to regional supremacy. One source of suspicion is the future of Bahrain, for example, which has a Shiite majority population, but is ruled by a Sunnite monarchy – apart from housing a US naval base.

In sum, the nuclear dispute with Iran really is about who determines the rules of the game in the Persian Gulf region. Status conflicts as such are non-negotiable, and need to be reframed as tangible factual issues in order to improve the prospect of reaching a

comprehensive settlement. This might require addressing Iran's security concerns about the military imbalance of conventional forces in the Gulf region. Without including issues of arms control and regional security in the negotiations it may be more difficult to convince Iran, that it does not need to rely on the nuclear option in order to be recognized as a regional power.

**Risk scenario C.1:** *The P5+1 ignore Iran's desire to be acknowledged as an independent country and regional power, and fail to reframe the conflict as a matter of national and regional security as well as nuclear safety. As a consequence Iran may continue to be reluctant to give up the nuclear option.*

### **C.2 Mutual recognition**

A basic condition for reaching a negotiated solution is the full recognition of the opponent as the ultimate contracting partner. Iran is an authoritarian regime with a bad human rights record; in other cases this has not prevented the West, and in particular the US, in entertaining close relations with such regimes. Tehran's suspicions that the US really wants regime change in Iran, needs to be dispelled, which will require the prospect of full diplomatic recognition should an agreement be concluded. Iran ought to know what it can gain from a deal. Diplomatic assurances and recognition by the leading world power and, so far, favorite enemy will mean a lot to the regime.

**Risk scenario C.2:** *The US continues to frame Iran as a 'pariah state', failing to provide the diplomatic recognition required in order to seal a sustainable political agreement with a sovereign state.*

### **C.3: Domestic support**

Although international negotiations are conducted in the diplomatic arena, an agreement must also be acceptable for the powerful political forces within the countries involved. Therefore, diplomats and negotiators may hesitate to aspire to a compromise solution that will likely be rejected by relevant opposition groupings at home. In authoritarian Iran, power struggles between competing regime factions have already derailed previous international attempts to reach an agreement; only a consolidated hierarchical leadership structure and a clear negotiation mandate from the highest religious and political authority Ayatollah Khamenei may indicate a unified will to finally come to an agreement. At the same time, the forthcoming presidential elections in the US may cause the administration of President Obama to observe a hard line in the negotiations, in order to prevent the opposition from accusing the government of being too soft on Iran. Similarly, in Russia and China, domestic considerations may also affect the negotiations. Even domestic politics in Israel and the Gulf States may indirectly play a role in defining the kind of deal which will be acceptable.

**Risk scenario C.3:** *A proposal for agreement which seems feasible and reasonable from a diplomatic perspective fails to receive the domestic support of any one signatory country. A real or staged struggle between domestic factions effectively blocks settlement.*

### **D. Conceptual solution for the conflict**

This dimension refers to implementing some basic principles in the process of finding a negotiated solution to a conflict. These principles include reciprocity, a formula for the endgame, and a roadmap for mutual concessions. Observing reciprocity provides the prospect that an ultimate agreement will be fair and thus acceptable to all parties, on a voluntary basis. In order to be able to work towards a 'grand bargain', developing an outline for the endgame is key. An early framing of the endgame provides the prospect of a beneficial outcome for all parties involved and may thus support the agreement about the details. A coordinated implementation of concessions is required in order to prove that the negotiations are effective in producing results.

### **D.1: Observing reciprocity**

Observing the procedural principle of reciprocity can help to overcome the ‘first mover’ problem, for any negotiations between parties, which do not trust each other, The party first signaling a possible compromise, is concerned about looking weak and, as a result, inducing the other party to be more firm. Therefore, a common understanding of the principle of reciprocity, which includes that all initiatives may be conditional upon being reciprocated by a similarly meaningful move by the other party, is essential. Without the principle of reciprocity the blame game is also more likely to continue. In the nuclear talks, agreeing on reciprocity is particularly demanding, since any conciliatory signals by Iran will be interpreted as resulting from international sanctions, while offers by the P5+1 may invite Iran to be more resisting.

**Risk scenario D.1:** *The negotiation parties fail to adopt the principle of reciprocity, because they cannot agree on who should make the first move, and how this move would be responded to by the other party.*

### **D.2: Outline of endgame**

Within the negotiation agenda, it is often deemed effective to first talk about topics that might offer some opportunities for practical cooperation. However, a settlement essentially hinges on the question of whether the parties can find a general formula for solving the dispute, a grand bargain around which the entire agreement can be built. A viable fundamental compromise also contains face-saving elements, which each party can publicly present as a win. All these elements need to be addressed in an outline of the endgame. In the present case, the solution’s formula needs to include Iran’s claimed entitlement to uranium enrichment, and the IAEA’s unrestricted right to fully supervise the nuclear program and to verify its peaceful purpose through enhanced safeguards. Given the fact, that Iran has clearly defied orders by the UN Security Council to stop its enrichment activities and has, on the contrary, reinforced such activities, a compromise on this matter is likely to be highly controversial.

**Risk scenario D.2:** *The parties hesitate to reveal possible trade-offs, thus failing to develop the outline of a strategic endgame. Instead, they continue to play tactical games by haggling about details, effectively stalling the process.*

### **D.3: Gradual implementation of concessions**

Initiating concessions appears to be a particularly precarious endeavor given that any unilateral concession might be seen as a precedent for who is winning and who is losing in the negotiations. Aversion against concessions should therefore also be regarded as a cognitive barrier, in particular if a concession is framed as a loss and not as an investment in gaining benefits associated with an overall deal. Therefore, a ‘roadmap’ may be used to detail the procedure of how mutual concessions will be coordinated, implemented and evaluated, as a condition for subsequent steps. In this case, the major challenge will consist in coordinating the freezing and regulation of enrichment activities, with establishing appropriate nuclear safeguards, easing and lifting the sanctions, providing substantial rewards, and eventually addressing regional arms control and security issues.

**Risk scenario D.3:** *The parties fail to agree on mutual concessions, or a roadmap for implementing concessions is stalled, due to technical issues, divergent interpretations, tactical or domestic quarrels, or bad faith.*

## **E. Regional conflict setting**

The dispute about Iran’s nuclear program is embedded in a complex regional conflict setting, involving tense relations with Israel over the Palestinian cause and with the Arabic member states of the Gulf Cooperation Council over Shiite parts of their population, territorial disputes, and the civil war in Syria, Iran’s only ally in the region. The conflict setting also includes the future of Iran’s neighbor countries Iraq and Afghanistan, both scenes of US military intervention. While it is not within the scope of the nuclear negotiations to settle these

conflicts, they are still part of the wider game, and might therefore be included in talks about a more comprehensive regional framework of regional cooperation in order to address mutual security concerns.

### **E.1: Renunciation of force**

Even though the US, as a permanent member of the UN Security Council and a guarantor of the NPT, will not take military options off the table, it would be a clear sign of de-escalation if the regional antagonists Israel and Iran mutually renounced the use of force. That includes Israel's threats with air strikes against Iran's nuclear facilities, and, on part of Iran, any support of insurgents or terrorists targeting Israel, as none of these behaviors are justified under international law. They should be abandoned in order to signal an unequivocal respect for the principles of national sovereignty and peaceful coexistence, which are critical to settling the nuclear dispute.

***Risk scenario E.1:*** *Israel and Iran continue to rely on the threat and use of armed force in their relationship and to question the legitimacy of each other's regime, thereby poisoning the climate for the negotiations.*

### **E.2: Security guarantees**

Given the strong political and military engagement of the US in the region, reservations within the Arabic Gulf states regarding a negotiated solution with Iran might be dissipated by spelling out what would happen should Iran renege on an agreement. This concerns a possible future lack of cooperation with the IAEA or any indication that Iran might resume a nuclear weapons program. Enforcing a nuclear deal with deterrence against any violations may assuage Iran's regional opponents, including Israel, as well as hard-line critics of the agreement in the US. International security guarantees for the region would be given the ultimate authority if they were contained in a UN Security Council resolution.

***Risk scenario E.2:*** *The P5+1 cannot agree on the terms of securing a nuclear agreement with Iran against any violations. US deterrence and bilateral security guarantees for the Gulf States fail to reduce antagonism in the region.*

### **E.3: Regional arms control and cooperation**

In view of the highly militarized Middle East, a initiative to launch a process for future security cooperation might be critical for creating an environment conducive to a settlement of the nuclear dispute with Iran. It would turn Iran from a 'pariah state' into a recognized regional player, addressing its legitimate security concerns, satisfying its demands for status and influence but also engaging it in a process of multilateral cooperation. Similar to the historical precedent of the Conference for Security and Co-operation in Europe (now the OSCE), the purpose of such multilateral security institution in the Middle East would be to foster détente between enemies of today. The conference might convene the relevant Arab states, Israel, Turkey, and Iran, with the US, the EU and Russia playing a moderating role. Apart from arms control as the most urgent issue, the conference could also widen its agenda to regional conflict resolution, religious topics, or economic cooperation.

***Risk scenario E.3:*** *A Middle East conference on arms control and security matters fails to take shape because the regional players cannot overcome their basic reservations and international players do not encourage regional co-operation.*

## **F. Time Horizon and momentum**

A very important dimension in any negotiation process concerns the right timing and creating momentum. Pressure and incentives may be involved in getting to talks, but once serious negotiations have started, time-related procedural principles, such as a step-by-step approach, will become ever more important for making progress. At the same time, the window of opportunity should be kept small enough in order to limit any attempts to apply delay tactics in the process. This seems to be particularly relevant in the present case, given

Iran's track record of protracting negotiations. Moreover, defining a 'red line', the crossing of which would trigger coercive measures, may also be useful in setting the available time horizon.

### **F.1: Starting a step-by-step approach**

Even if a step-by-step approach is generally accepted as a procedure, the challenge remains to determine not only who is going to take the first step but also when the other party is supposed to catch up. In the present case, getting the step-by-step approach started requires Iran to cooperate with the IAEA and suspend uranium enrichment and the West to ease its unilateral sanctions. These measures must be properly timed and orchestrated in order to create trust and momentum.

**Risk scenario F.1:** *The step-by-step approach is stalled because each party continues to insist on preconditions which the other side rejects.*

### **F.2: Utilizing the window of opportunity**

The window of opportunity denotes the period of time in which favorable factors for a negotiated solution concur. In addition, the size of the window of opportunity is defined by the nature of the disputed issue itself. The speed with which Iran has pressed ahead with its nuclear program has caused speculation about the available time for a negotiated solution, before Tehran might be capable of completing a nuclear warhead. Maintaining a sense of urgency is therefore key, so that playing for time is no longer an option for Iran. Moreover, setting a timetable may be necessary in order to cope with the technical complexity of the nuclear matter and with regular time requirements for implementing concessions, but also in order to allow for the multilateral and domestic consultation procedures.

**Risk scenario F.2:** *Iran tries to prolong the negotiations for tactical reasons, missing the opportunity to conclude a deal before Israel and the US opt for military strikes.*

### **F.3: Observing the red line**

Facing Iran with an ultimatum for making certain concessions is problematic because such a time limit is inflexible and can only be used once. In contrast, defining and enforcing a red line may better serve the purpose of limiting the available time for negotiations. For Israel and the US, a red line would be crossed, if intelligence became available that the order to build a nuclear weapon had actually been given, and if the IAEA inspectors were expelled from the country, indicating that Iran might be intending to break out of the NPT. This would likely end the negotiations and trigger immediate military action.

**Risk scenario F.3:** *Iran fails to clear uncertainties regarding facilities and experiments which might also serve to develop a nuclear weapon, causing dangerously ambiguous intelligence as to whether it has already crossed the red line.*

Overview table: Strategic Risk Assessment Tool

<b>STRATEGIC DIMENSIONS AND RISK SCENARIOS FOR ASSESSING THE NUCLEAR NEGOTIATIONS WITH IRAN</b>		<b>Impact score</b>	<b>Likelihood score</b>	<b>Severity of risk [Col. 3 x Col. 4]</b>
<b>A.</b>	<b>Multilateral diplomacy within international context</b>			
A.1	The international community fails to pursue a united negotiation strategy due to disagreement between the US and European states on the one hand and Russia and China on the other, mainly due to differing approaches towards regulating the conflict and separate geopolitical agendas.			
A.2	The continuous exchange of mutual accusations regarding discriminatory legal treatment and non-compliance with international law respectively impair talks about factual issues.			
A.3	Any signal of ambiguity regarding the West's resolve to bear the economic costs of its oil embargo may increase Iran's resilience against making concessions in the negotiations.			
<b>B.</b>	<b>Instruments for conflict regulation</b>			
B.1	A continued display of hostility such as threats, provocations, and disparagements fail to reduce the tension between the parties. As a consequence, the building of mutual trust and confidence in a political solution is impaired.			
B.2	The economic sanctions fail to persuade Iran, either due to loopholes and international criticism, or because they harden the resolve of the regime, if it is not given the prospect of relief.			
B.3	Promises of rewards fail to persuade Iran because they are not perceived as a prospect of benefits substantial enough to work as a positive incentive.			
<b>C.</b>	<b>Conflict structure and motivation of key actors</b>			
C.1	The P5+1 ignore Iran's desire to be acknowledged as an independent country and regional power, and fail to reframe the conflict as a matter of national and regional security as well as nuclear safety. As a consequence Iran may continue to be reluctant to give up the nuclear option.			
C.2	The US continues to frame Iran as a 'pariah state', failing to provide the diplomatic recognition required in order to seal a sustainable political agreement with a sovereign state.			
C.3	A proposal for agreement which seems feasible and reasonable from a diplomatic perspective fails to receive the domestic support of any one signatory country. A real or staged struggle between domestic factions effectively blocks settlement.			

<b>D.</b>	<b>Conceptual solution for the conflict</b>			
D.1	The negotiation parties fail to adopt the principle of reciprocity, because they cannot agree on who should make the first move, and how this move would be responded to by the other party.			
D.2	The parties hesitate to reveal possible trade-offs, thus failing to develop the outline of a strategic endgame. Instead, they continue to play tactical games by haggling about details, effectively stalling the process.			
D.3	The parties fail to agree on mutual concessions, or a roadmap for implementing concessions is stalled, due to technical issues, divergent interpretations, tactical or domestic quarrels, or bad faith.			
<b>E.</b>	<b>Regional conflict setting</b>			
E.1	Israel and Iran continue to rely on the threat and use of armed force in their relationship and to question the legitimacy of each other's regime, thereby poisoning the climate for the negotiations.			
E.2	The P5+1 cannot agree on the terms of securing a nuclear agreement with Iran against any violations. US deterrence and bilateral security guarantees for the Gulf States fail to reduce antagonism in the region.			
E.3	A Middle East conference on arms control and security matters fails to take shape because the regional players cannot overcome their basic reservations and international players do not encourage regional co-operation.			
<b>F.</b>	<b>Time horizon and momentum</b>			
F.1	The step-by-step approach is stalled because each party continues to insist on preconditions which the other side rejects.			
F.2	Iran tries to prolong the negotiations for tactical reasons, missing the opportunity to conclude a deal before Israel and the US opt for military strikes.			
F.3	Iran fails to clear uncertainties regarding facilities and experiments which might also serve to develop a nuclear weapon, causing dangerously ambiguous intelligence as to whether it has already crossed the red line.			