

Russian-Iranian Relations in the Ahmadinejad Era

Mark Katz

Russia and Iran share a common hostility toward the United States. There have, however, been important differences between Moscow and Tehran — especially over nuclear issues. Relations seemed to improve, though, with Vladimir Putin's October 2007 visit to Tehran and Russia's shipment to Iran of the enriched uranium needed to start up the Bushehr nuclear power plant. Important differences, however, remain between the two countries that serve to limit the extent to which they can cooperate.

In October 2007, Russian president Vladimir Putin paid a visit to Tehran and met both with Iranian President Mahmud Ahmadinejad and with Iran's Supreme Leader, Ayatollah 'Ali Khamene'i. Their meetings were soon followed by the commencement in mid-December 2007 of the previously agreed to but delayed Russian delivery to Iran of 82 tons of enriched uranium needed to start operating the Russian-built nuclear reactor at Bushehr. The delivery of this material was completed at the end of January 2008. There were also reports of increased Russian weapons sales to Iran, and of Moscow and Tehran working together to form a natural gas cartel similar to the OPEC oil cartel.

In one sense, this increased cooperation between Putin and Ahmadinejad is not surprising. Both, after all, see the United States as their principal antagonist. This being the case, it seems only natural that Moscow and Tehran would work together against it. In another sense, however, the increased Russian-Iranian cooperation since the October 2007 Putin visit to Tehran is surprising. Moscow and Tehran have typically had prickly relations both before and after the 1979 Islamic Revolution. Despite their common antipathy toward the US, disagreement over several issues has continued to plague Russian-Iranian relations after Ahmadinejad's election as President of Iran in 2005.

Did the Putin visit to Tehran in October 2007 usher in a new era of Russian-Iranian relations in which their previous differences would either be resolved or subordinated to the pursuit of their common interest in opposing American foreign policy? Or will Russian-Iranian differences continue to limit the extent to which Moscow and Tehran cooperate with each other? I will address these questions by first examining the differences between Putin and Ahmadinejad prior to Putin's October 2007 visit to Tehran and then examining the ways in which Russian-Iranian ties have — and have not — improved since that time.

The main Russian-Iranian disagreements that have occurred under Putin and Ahmadinejad have been over United Nations Security Council (UNSC) action over the Iranian nuclear issue, completion of the Bushehr nuclear reactor, how Iran will obtain

Mark Katz is a Professor of Government and Politics at George Mason University. He worked on this article with the support of a short-term grant from the Kennan Institute (a division of the Woodrow Wilson International Center for Scholars, Washington, DC) in January 2008. He is grateful for the insights, advice, and encouragement he received from Lee Hamilton, Haleh Esfandiari, Blair Ruble, Robert Litwak, and Elena Denisova-Schmidt (among others) at the Wilson Center as well as from knowledgeable individuals at the US Department of State who wish to remain anonymous.

commercial grade enriched uranium, differences concerning a possible alliance between the two countries, what use will be made of Russia's Gabala radar station in Azerbaijan, and over natural gas, oil, and the delimitation of the Caspian Sea.

UNSC ACTIONS

Ever since the revelation that Iran was conducting secret nuclear activities that it had not previously reported to the International Atomic Energy Agency (IAEA), Russia (along with China) has acted to shield Tehran from harsher measures that the US has proposed be taken against it by the UNSC. Up until early 2006, Moscow did this through working to keep the Iranian "nuclear dossier" under the purview of the IAEA (which assesses whether signatories to the Non-Proliferation Treaty are in compliance with it, but which cannot impose sanctions on them for not being so) and through not allowing the IAEA Board of Governors to refer it to the Security Council (which can impose sanctions). On February 4, 2006, though, Russia — along with most other IAEA Board of Governors members — did vote to refer the Iranian nuclear dossier to the UNSC.

Following this, the five UNSC permanent members plus Germany ("the Six") offered a package of inducements for Iran to suspend all nuclear enrichment and reprocessing activities as well as cooperate with the IAEA. Tehran, though, did not give a clear response to this offer. The Security Council (with Russian support) subsequently passed Resolutions 1696 (July 31, 2006), 1737 (December 23, 2006), and 1747 (March 24, 2007) demanding that Iran halt all nuclear enrichment and reprocessing activities as well as cooperate with IAEA verification measures. Resolutions 1737 and 1747 also called for (but did not require) sanctions on a list of Iranian organizations and individuals involved in Iran's nuclear and ballistic missile programs. Resolution 1747 set forth the terms on which the Security Council envisioned cooperating with Iran in building its civilian atomic energy program in exchange for Iranian compliance with UNSC resolutions.¹

Moscow appears to have been motivated to take each of these steps by at least three factors: 1) the growing fear that Iran was indeed (despite Moscow's many statements to the contrary) trying to acquire nuclear weapons; 2) the desire to be seen by Western governments as upholding the international nonproliferation regime and not supporting Iran's efforts to defy it; and 3) the expectation that Iran would surely become more amenable to Moscow's wishes through realizing how dependent it was on Russia to protect Iran from the imposition of more stringent UNSC sanctions.

On this last score, however, Moscow was disappointed. At his meeting with Ahmadinejad at the June 2006 Shanghai Cooperation Organization (SCO) summit, Putin reportedly came away with the impression that his Iranian counterpart was favorably disposed to the package of inducements offered by the Six to settle the nuclear issue. According to a Russian press account, "Putin reported that Iran is ready for negotia-

1. The texts of these three UNSC resolutions, and of the February 4, 2006 IAEA Board of Governors Resolution that referred the Iranian dossier to the UNSC, can be found on an IAEA website at <http://www.iaea.org/NewsCenter/Focus/IaeaIran/index.shtml>.

tions and will soon formulate its proposals with respect to a timetable."² Only a few weeks later, however, disillusionment was evident when the Foreign Ministers of the Six met in Paris. Russian Foreign Minister Sergei Lavrov then stated that Iran's unwillingness to seriously discuss the proposals made by the Six "runs contrary to what Iranian President Mahmoud Ahmadinejad said during his meeting with Russian leader Vladimir Putin" at the SCO summit.³ If Putin thought that his own personal diplomacy would win Ahmadinejad over, he was clearly mistaken.

Subsequently, when each of the three UNSC resolutions on the Iranian nuclear issue was passed, the Russian press emphasized how Moscow had worked to soften them.⁴ The Iranian press, by contrast, railed vociferously against Moscow for having voted with the West on each of these resolutions (as well as for previously voting to move the Iranian nuclear dossier from the IAEA to the UNSC).⁵

THE BUSHEHR NUCLEAR REACTOR

In the 1995 Gore-Chernomyrdin agreement (named for the American Vice President and the Russian Prime Minister who signed it), Moscow pledged to Washington that it would slow down work on the Bushehr nuclear reactor, whose completion Washington feared would enable Tehran to divert fissionable material from it to fabricate nuclear weapons.⁶ During the ensuing years, however, Russian-American relations deteriorated. Less than a year after he became President of Russia, Putin unilaterally abrogated the Gore-Chernomyrdin agreement in October 2000.⁷ Moscow then resumed work on building this reactor for Iran. Much to Tehran's annoyance, however, the Russians repeatedly set back the completion date for the project. In September 2006, though, Moscow and Tehran appeared to reach a firm agreement that Bushehr would go into operation in September 2007 and be connected to the Iranian power grid two months later. In addition, Russia pledged to deliver enriched uranium in March 2007 to be loaded into the reactor in time for it to go into operation six months later.⁸

2. Natalya Melikova, "A Very Positive Meeting," *Nezavisimaya gazeta*, June 16, 2006, pp. 1, 6, in *Current Digest of the Post-Soviet Press [CDPSP]*, Vol. 58, No. 24, July 12, 2006, p. 3.

3. Maksim Makarychev, "Iran Disappoints the Six," *Rossiiskaya gazeta*, July 14, 2006, p. 2, in *CDPSP*, Vol. 58, No. 28, August 9, 2006, p. 14.

4. See, for example, Aleksandr Reutov, "Iran Gets an Assignment to Complete by Sept. 1," *Kommersant*, August 1, 2006, p. 6, in *CDPSP*, Vol. 58, No. 31, August 30, 2006, pp. 13-14; Viktor Volodin and Pyotr Iskenderov, "Bushehr Is Saved," *Vremya novosti*, December 25, 2006, pp. 1-2, in *CDPSP*, Vol. 58, No. 52, January 24, 2007, pp. 14-15; and Yelena Suponina and Pyotr Iskenderov, "Ahmadinejad Gets New Deadline," *Vremya novosti*, March 26, 2007, pp. 1-2, in *CDPSP*, Vol. 59, No. 13, April 25, 2007, pp. 18-19.

5. See, for example, "Tabriz Politician Hopes China, Russia Will Make Up for UNSC Vote against Iran," ISNA, August 8, 2006, via World News Connection; "Iran: Diplomat Says Russia, China, EU Made 'Very Big' Mistake over Nuclear Case," IRNA, December 27, 2006, via World News Connection; and "Persian Press: Editorial Says Iran Should 'Start Considering' Leaving NPT," *Jomhuri-ye Eslami*, April 9, 2007, via World News Connection.

6. Brenda Shaffer, *Partners in Need: The Strategic Relationship of Russia and Iran* (Washington, DC: Washington Institute for Near East Policy, 2001), pp. 69-73, 80-82.

7. Shaffer, *Partners in Need*, pp. 73, 82-83.

8. Pyotr Iskenderov, "Iran Gets a Timetable," *Vremya novosti*, September 27, 2006, p. 2, in *CDPSP*, Vol. 58, No. 39, October 25, 2006, p. 15.

In February 2007, however, a dispute erupted between Moscow and Tehran over payment issues. Apparently seeing it as a move that would demonstrate defiance toward the US, Ahmadinejad decreed that Iran would no longer make payments in US dollars but in euros instead. The contract for Russian work on Bushehr, though, had specified that payments be made in dollars. Moscow was unwilling to accept payment in another currency without an additional agreement.⁹ While seemingly a simple issue to resolve, the dispute quickly grew worse. Moscow accused Tehran of halting payments while Tehran claimed that it had paid even more than it actually owed. As a result of the dispute, Russia delayed work on the reactor and did not deliver the nuclear fuel. Russian claims that Iran had "lost interest" in the completion of the Bushehr reactor were belied by the Iranian Foreign Minister calling upon Russia to "fulfill its obligations" and the head of Iran's Atomic Energy Organization imploring it to "fulfill its commitments" regarding the reactor.¹⁰

As a result of the dispute, Atomstroieksport (the Russian enterprise managing the Bushehr project) pushed back the date for completion of the reactor to autumn 2008.¹¹ Various Iranian officials and commentators warned that if Moscow did not complete work on it soon, Tehran might turn to other countries for assistance on this project or contract with them for additional nuclear reactors it wishes to build.¹²

URANIUM ENRICHMENT FOR IRAN

Tehran had long claimed the right to enrich its own uranium for its civilian atomic energy program. The US and others opposed this because they feared that Iran would enrich its uranium beyond commercial grade to weapons grade level. Moscow had proposed resolving Western concerns about this issue through enriching uranium for Iran to commercial grade in Russia, but Tehran insisted on enriching its own uranium. In late 2005, Putin attempted to make the Russian offer more palatable to Tehran by proposing that the enrichment be undertaken in Russia by a Russian-Iranian joint venture.¹³ While Tehran expressed willingness to set up such a joint venture, it indicated

9. Ivan Groshkov, Mikhail Sergeev, and Sergei Kulikov, "Moscow Finds Pretext to Step Back from Iran," *Nezavisimaya gazeta*, February 20, 2007, pp. 1, 10, in *CDPSP*, Vol. 59, No. 8, March 21, 2007, p. 14.

10. Pyotr Iskenderov, "Iran Is Losing an Ally," *Vremya novosti*, March 15, 2007, p. 2, in *CDPSP*, Vol. 59, No. 11, April 11, 2007, pp. 15-16; "Persian Press: Daily Warns Russia 'Extorting' Money from Iran over Bushehr Plant," *Jomhuri-ye Eslami*, March 13, 2007, via World News Connection; and "Russia Should Fulfill its Commitments, Aqazadeh Says," IRNA, April 3, 2007, via World News Connection.

11. "Russian Subcontractor Says Iran's Bushehr Launch Date Unrealistic," RIA-Novosti, July 25, 2007, via World News Connection.

12. See, for example, "Iran's Larijani Warns Russia Not to Let Political Issues Interfere in Case," Voice of the Islamic Republic of Iran Radio 1, April 23, 2007, via World News Connection; and "Persian Press: MPs Criticize Russian Delay on Bushehr Nuclear Power Plant," *Aftab-e Yazd*, July 12, 2007, via World News Connection.

13. Sergei Stokan, "IAEA Dictates Russian Terms to Iran," *Kommersant*, November 25, 2005, p. 11, in *CDPSP*, Vol. 57, No. 47, December 21, 2005, p. 17; and Nargiz Asadova, "Iran Leaves Russia Holding a Note," *Kommersant*, December 26, 2005, p. 9, in *CDPSP*, Vol. 57, No. 52, January 25, 2006, pp. 14-15.

that it also wanted to enrich some uranium inside Iran. This, however, was unacceptable to the US, the EU-3 (the UK, France, and Germany), and Russia itself, and so Putin's proposal did not go forward.¹⁴

In May 2006, Putin modified his offer slightly by calling for the creation of an international joint venture for uranium enrichment to be located in Russia. Other countries could make use of it, but Iran was to be the primary beneficiary. While Tehran indicated a willingness to have its uranium enriched by an international joint venture, it insisted that it be located in Iran. And so, once again, Tehran did not accept Putin's initiative for resolving the enrichment issue.¹⁵

Then in October 2006, Tehran made a surprise proposal for not Russia, but France to monitor uranium enrichment in Iran through the creation of a joint venture consisting of Iranian companies and France's Eurodif and Areva. The French Foreign Ministry, though, turned the offer down.¹⁶ While relieved at Paris's move, Moscow could not have been happy with Tehran. For what the Iranian offer suggested was that Tehran viewed the primary Western objection to a joint venture to enrich Iranian uranium as not being its location in Iran, but as seeing Russia as less reassuring to America and the West as a monitor than France. If France had accepted Iran's offer and America in particular had welcomed it, Putin's plan for Russia being important both to Iran on the one hand and America and the West on the other in resolving the Iranian enrichment issue would have been completely sidelined.

KHAMENE'I'S 2007 STRATEGIC ALLIANCE PROPOSAL

The Russian press reported that when Russian Security Council Secretary Igor Ivanov visited Tehran in late January 2007, Ayatollah 'Ali Khamene'i, Iran's Supreme Leader, "invited Russia to form a strategic alliance [with Iran] against common adversaries and proposed that the two countries share between them responsibility for the future of the Middle East and Central Asia."¹⁷ (This offer was in addition to Khamene'i's proposal that a natural gas OPEC be created, which will be discussed later.) The proposal was elaborated more fully by Khamene'i's personal representative, former Iranian Foreign Minister 'Ali Akbar Velayati, in Moscow in February 2007 when he met with Lavrov, Ivanov, and Putin himself. Velayati reportedly brought to Moscow "a fully developed presentation of Ayatollah Khamene'i's idea of creating a strong alliance between the two friendly states."¹⁸

The details of Khamene'i's offer were not made public, but the report that he proposed Moscow and Tehran "share between them responsibility for the future of the Middle East and Central Asia" suggests that it may have been based on the premise

14. Nargiz Asadova, "An Unsealed Bombshell," *Kommersant*, January 11, 2006, p. 10, in *CDPSP*, Vol. 58, No. 1-2, February 1-8, 2006, pp. 13-14.

15. Dmitry Butrin and Yelena Kornysheva, "Iran Offers Uranium to France," *Kommersant*, October 4, 2006, p. 10, in *CDPSP*, Vol. 58, No. 40, November 1, 2006, p. 17.

16. Butrin and Kornysheva, "Iran Offers Uranium to France."

17. Mikhail Zygar, "Iran Counsels Russia on Security Matters," *Kommersant*, February 9, 2007, p. 9, in *CDPSP*, Vol. 59, No. 6, March 7, 2007, pp. 17-18. See also "Iran: Khamene'i Stresses 'Great Importance of Tehran-Moscow Cooperation,'" IRNA, January 29, 2007, via World News Connection.

18. Zygar, "Iran Counsels Russia on Security Matters."

that the US was becoming weaker in this part of the world, and so Moscow and Tehran should divide the region into spheres of influence and not compete with each other. Whatever the details of Khamene'i's proposal, *Kommersant* reported that Putin merely "replied evasively that he would think about it."¹⁹ The story dropped out of the news after this.

The fact that this mysterious proposal came from Iran's Supreme Leader (who has greater authority than does Iran's President) indicates that Tehran was extremely serious about the offer. Putin's apparent dismissal of it, then, is not something by which Tehran could have been pleased. For if Khamene'i did indeed suggest that Moscow and Tehran divide the Middle East and Central Asia into spheres of influence, Putin's rejection of this may have been seen in Tehran as showing that he does not intend to concede any part of the region to Iran. Putin, for his part, might well have been offended by any proposal even to discuss dividing the region into spheres of influence with Iran since this would imply that Tehran is the equal of Moscow, at least in this part of the world. And it is highly doubtful that Moscow is willing even to contemplate acknowledging Iran as being Russia's equal in any sense whatsoever.

THE GABALA RADAR STATION

Putin has expressed bitter opposition to the Bush Administration's plan to deploy a ballistic missile defense (BMD) system in Poland and the Czech Republic in order to protect Europe and the US against a possible missile attack from Iran. Moscow has argued that Iran is not capable of launching such an attack, and that the "limited" BMD system to be located in Central Europe is really part of a global American BMD plan aimed at Russia. Putin threatened to respond to this plan by aiming Russian missiles at "new targets" in Europe.²⁰ With tensions mounting over this issue, Putin offered to share with the US its Gabala radar facility in Azerbaijan to detect whether "some country, such as Iran, were to test a nuclear weapon" and give America and Russia enough time (Putin said reassuringly) to deploy missile defense systems during the three to five years it would take "to put such missiles in service."²¹ At his meeting with Bush in Kennebunkport, Maine a few weeks later, Putin expanded his offer to include a data-sharing center in Moscow and a "new missile-launch warning system" in southern Russia.²² While Washington expressed some interest in considering Putin's proposals as an addition to its planned deployments in Poland and the Czech Republic, Putin made clear that he intended them to replace those plans.²³

It is unclear whether Putin's Gabala offer was serious or whether he expected the US government to reject it so that Moscow could portray Washington in a negative light

19. Zygari, "Iran Counsels Russia on Security Matters."

20. Aleksandr Samokhotkin, "Nothing to Fear," *Vremya novostei*, June 4, 2007, p. 2, in *CDPSP*, Vol. 59, No. 23, July 4, 2007, p. 1.

21. Andrei Kolesnikov, "Vladimir Putin and George Bush Find a Place to Defend Europe," *Kommersant*, June 8, 2007, pp. 1, 9, in *CDPSP*, Vol. 59, No. 23, July 4, 2007, pp. 2-4.

22. Ivan Gordeyev, "The Cards Have Been Dealt," *Vremya novostei*, July 3, 2007, p. 1, in *CDPSP*, Vol. 59, No. 27, August 1, 2007, pp. 1-2.

23. Aleksandr Latyshev, "Putin and Bush: Who Took Whose Bait?" *Izvestia*, July 4, 2007, pp. 1-2, in *CDPSP*, Vol. 59, No. 27, August 1, 2007, pp. 2-3.

for doing so. What is clear, though, is that Moscow did not anticipate Tehran's negative reaction to it. Immediately after making the offer to President Bush, Putin stated, "I don't think this will lead to the aggravation of our relations with Iran because the radar has been operating for a long time."²⁴ Other Russian sources also claimed confidently that Iran was not concerned about the Gabala offer.²⁵

Tehran, though, was concerned about it. Statements by Iranian *Majles* members and commentators indicated that Tehran regarded the Gabala offer as a Russian attempt to curry favor with the US at Iran's expense.²⁶ Soon apprehending the depth of Iranian unhappiness, Russian officials tried to alleviate Tehran's concerns. One Russian Foreign Ministry official, for example, explained how "the Gabala radar facility is a 'passive' surveillance system. By contrast with the hypothetical US missile defense base in Europe, it does not have an antimissile component. Therefore, we see no reason why our relations with the Asian partners could change for the worse."²⁷ Sergei Lavrov argued (somewhat lamely) that by offering to use the Gabala radar station together with the US, Moscow wanted to prove to Washington that its fears of Iran were unjustified.²⁸

It is highly doubtful, though, that statements such as these reassured Iran's rulers about Russia's reliability as an ally. Instead, the Gabala episode confirmed their suspicions that Moscow would willingly ally with Washington against Tehran if only the US would meet Russia's terms for doing so.

NATURAL GAS

In January 2007, Iranian Supreme Leader Khamene'i called upon Russia and Iran to work together to form a natural gas OPEC. The fact that Khamene'i himself issued this proposal indicates how serious it was for Tehran.²⁹ Moscow's response, though, has been ambiguous — calling for some form of coordination among gas producers on the one hand but not to the extent that OPEC regulates its members on the other.³⁰

24. "Putin Doesn't Think Russian, U.S. Use of Gabala Radar Will Spoil Ties with Iran," Interfax, June 8, 2007, via World News Connection.

25. "Iran Not Concerned over Joint Russian-U.S. Use of Azeri Radar," AVN, June 8, 2007, via World News Connection; and "Putin's Radar Idea Will Not Spoil RF-Iran Relations—Margelov," ITAR-TASS, June 8, 2007, via World News Connection.

26. See, for example, "Persian Press: Commentary Condemns 'Anti-Iranian' Russian Missile Defense Plan," *E'temad*, June 14, 2007, via World News Connection; and "Daily Urges Iran's Statesmen to Be Wary of Russia," *Aftab-Yazd*, June 16, 2007, via World News Connection.

27. "Moscow Seen Soothing Iran's Fears over Joint Use of Gabala Radar with US," *Izvestia*, June 15, 2007, via World News Connection.

28. "Gabala Radar Offer Is Moscow's Attempt to Prove Iran Poses No Threat—Lavrov," Interfax, June 22, 2007, via World News Connection.

29. "Iran: Khamene'i Stresses 'Great Importance of Tehran-Moscow Cooperation,'" IRNA, January 29, 2007, via World News Connection; and "Politician Says Khamene'i's Iran-Russia Gas Proposal 'Significant,'" IRNA, January 30, 2007, via World News Connection.

30. See, for example, statements made by Putin and by Igor Ivanov in "From the Transcript of President Vladimir Putin's Press Conference on Feb. 1, 2007," *Izvestia*, February 2, 2007, pp. 3-4, in *CDPSP*, Vol. 59, No. 5, February 28, 2007, p. 4; and Mikhail Sergeyev, "Gas OPEC Goes Underground," *Nezavisimaya gazeta*, February 1, 2007, p. 4, in *CDPSP*, Vol. 59, No. 5, February 28, 2007, p. 8.

Moscow seems to relish being perceived as able to side either with gas producers or gas consumers, and thus (in the Kremlin's view) providing a strong inducement to both sides to court it.

An anonymous official at the Russian Ministry of Economic Development and Trade may have summed up Moscow's actual reaction to Khamene'i's proposal: "I don't understand why Russia would want to form a natural gas cartel in the first place. I don't see any point in it — especially at a time when Iran has come under heavy international pressure. Why should we assume some sort of obligations to synchronize our activities? Why subject ourselves to a regulatory framework that could essentially amount to a quota system?"³¹

Whether or not this statement reflects the Kremlin's actual views, Moscow's evasive response to Khamene'i's gas OPEC proposal is unlikely to have pleased Tehran.

OIL

In May 2007, Ahmadinejad visited Minsk where he and Belarussian strongman Alexander Lukashenko praised each other extravagantly. Minsk was then in negotiations with Tehran to jointly develop oil fields in Iran. Lukashenko lauded Ahmadinejad for having "accommodated all of the Belarussian side's wishes."³² Further joint energy projects were also envisioned.

The *Vremya novostei* article about this meeting noted that Belarus began actively negotiating for access to Iranian oil when it became clear that it would face energy price increases from Russia, and Russian-Belarussian relations had deteriorated as a result.³³ While Iranian-Belarussian energy cooperation is hardly a major irritant to Russian-Iranian relations, its occurrence is a reminder that 1) Iran and Russia are competitors in the oil market; and 2) Ahmadinejad will not refrain from cooperating with a leader such as Lukashenko whom Putin is at odds with.

CASPIAN DELIMITATION

Ever since the breakup of the Soviet Union in 1991, the five states with Caspian Sea coastlines — Russia, Kazakhstan, Turkmenistan, Azerbaijan, and Iran — have been unable to agree on how to achieve an overall agreement on how to demarcate their maritime borders, divide the considerable petroleum reserves believed to lie underneath the seabed, and regulate the transshipment of oil and gas across the Caspian. Space simply does not allow even a summary of the long, convoluted history of the diplomacy and disagreements concerning this issue. Suffice it to say that by the time Ahmadinejad became President of Iran in 2005, Russia (along with Kazakhstan and Azerbaijan) called for a percentage allocation of the Caspian in accordance with the percentage of the total coastline each state had. This formula would have given Iran

31. Pyotr Iskenderov and Aleksandr Grivach, "Cartel-Based Spirituality," *Vremya novostei*, January 30, 2007, pp. 1-2, in *CDPSP*, Vol. 59, No. 5, February 28, 2007, pp. 7-8.

32. Olga Tomashevskaya, "Alliance of Outcasts," *Vremya novostei*, May 22, 2007, p. 2, in *CDPSP*, Vol. 59, No. 21, June 20, 2007, p. 15.

33. Tomashevskaya, "Alliance of Outcasts."

control of about 13% of the Caspian. Tehran, by contrast, demanded equal 20% shares for each of the littoral states.³⁴

Frustrated at Iran's refusal to assent to an overall agreement for delimiting the Caspian in accordance with the Russian formula, Russia, Azerbaijan, and Kazakhstan made bilateral agreements with one another to set borders in the northern part of the Caspian. Russian-Iranian disagreements concerning the Caspian, though, became less prominent under Ahmadinejad than they had been under his predecessor, Khatami, because a more urgent dispute had arisen between Russia and Iran on the one hand and Kazakhstan and Azerbaijan on the other over a proposed oil pipeline between the latter two. Moscow and Tehran (who do not want Kazakhstan to export oil to the West without it going across Russia or Iran) claimed that all five littoral states had to agree to any pipeline project, while Kazakhstan and Azerbaijan maintained that this could be decided solely by the two states whose maritime territory it would cross. Nevertheless, the underlying Russian-Iranian disagreement over the Caspian remained unresolved.³⁵

THE OCTOBER 2007 TEHRAN SUMMIT AND AFTERMATH

One of the main reasons for Putin's visit to Tehran was to attend the second summit of Caspian heads of state. As at the first such meeting in Ashgabat, Turkmenistan in 2002, no progress was made in achieving an overall agreement regarding the delimitation of the Caspian. On the other hand, the five Presidents agreed in their 25-point summit declaration that "their military forces are not aimed for use to attack any of the parties" and that "under no circumstances they will allow for their territories to be used by other states."³⁶ The five leaders, then, appeared united in preventing the US from undertaking military action from bases in any of the Caspian littoral states. This move may well have taken the sting out of Putin's earlier offer to share the Gabala radar facility in Azerbaijan with the US for monitoring a potential ballistic missile threat from Iran.

As one Russian journalist noted, the Caspian Five were now moving from economic cooperation to politico-military cooperation aimed at "closing the region to foreign intervention from without."³⁷ This refocusing of the summit away from the economic issues that the five leaders have been unable to reach consensus on and toward politico-military goals (preventing US military action and forestalling democratic revolution) that they do agree on served to enhance the value of this forum for all five governments.

In the bilateral Russian-Iranian realm, Putin met with both President Ahmadine-

34. For background on this, see Mark N. Katz, "Russian-Iranian Relations in the Putin Era," *Demokratizatsiya*, Vol. 10, No. 1 (Winter 2002), pp. 71-75. The position of President Saparmurat Niyazov of Turkmenistan (who died in office in December 2006) on this issue was highly ambiguous.

35. Vladimir Kuzmin, "Five in Favor of the Caspian," *Rossiiskaya gazeta*, October 17, 2007, pp. 1-2, in *CDPSP*, Vol. 59, No. 42, November 14, 2007, pp. 9-10.

36. "Presidents of Caspian Sea Countries Issue 25-point Declaration in Tehran," Fars News Agency, October 16, 2007, via BBC Monitoring. See also Sergei Bekirov, "Eurasian Entente?" *Moskovskiyevostit*, No. 41, October 19-25, 2007, p. 13, in *CDPSP*, Vol. 59, No. 42, November 14, 2007, p. 11.

37. Yu Kotov, "A Useful Summit," *Sovetskaya Rossia*, October 18, 2007, p. 7, in *CDPSP*, Vol. 59, No. 42, November 14, 2007, pp. 11-12.

jad and Supreme Leader Khamene'i. Putin presented them with a proposal for resolving the Iranian nuclear issue, though neither government stated what this was. But according to one of Russia's foremost Iran watchers, Nina Mamedova of the Oriental Institute in Moscow, it involved "the creation on Iran's territory of a joint Russian-Iranian uranium-enrichment plant with the involvement of Western companies, and what's more, the proposal may have received U.S. support in advance."³⁸

If this indeed is what Putin offered the Iranian leadership, there has been no indication that they have accepted it. Nevertheless, both Ahmadinejad and Khamene'i — neither of whom is known to be shy about expressing disapproval or disdain — expressed strong appreciation for the direction in which Russian-Iranian relations were now going. Ahmadinejad exuberantly declared that, "Russia's power is our power and vice versa."³⁹ In a similar vein, Khamene'i reportedly told Putin that, "In the same way that an independent Iran would benefit Russia, a powerful Russia would also benefit Iran."⁴⁰ The Russian daily *Nezavisimaya gazeta*, for its part, enthused about how "Russia's success in Iran — especially if it manages to convince Tehran of the need for full cooperation in the nuclear realm — could become a turning point in terms of recognition of Russia as an independent center of power in today's world."⁴¹

Continued positive momentum in the relationship was displayed through a visit by Russian Foreign Minister Sergei Lavrov to Tehran at the end of October,⁴² a port call by vessels from Russia's Caspian flotilla to Iran in early November (the first such port call since before the 1979 Islamic Revolution),⁴³ and a visit by Iranian Foreign Minister Manouchehr Mottaki to Moscow in early December.⁴⁴ The strongest indication that Russian-Iranian relations have improved, though, came when the Russian firm working on the nuclear reactor at Bushehr, Atomstroieksport, delivered the 82 tons of enriched uranium needed to start the reactor in eight shipments made between mid-December 2007 and the end of January 2008.⁴⁵ The payment dispute which Moscow had previously cited for not making these deliveries — which had been scheduled to be made in March 2007 — was apparently resolved. According to the Russian Foreign Ministry, "The waste fuel from Bushehr will be returned to Russia for further recycling and storage, and the IAEA will cover it by its control and guarantees during the period of its deposition on Iranian territory."⁴⁶

38. Pyotr Iskenderov, "Stopover in Tehran," *Vremya novostei*, October 31, 2007, p. 2, in *CDPSP*, Vol. 59, No. 44-45, November 28-December 5, 2007, pp. 20-21.

39. "President Ahmadinzhad [sic]: Iran Seeks Lasting, Effective Relations with Russia," Vision of the Islamic Republic of Iran Network 1, October 11, 2007, via World News Connection.

40. "Independent Iran and Powerful Russia Would Benefit Each Other: Leader," Mehr News Agency, October 17, 2007, via World News Connection.

41. "Iranian Nexus," *Nezavisimaya gazeta*, October 19, 2007, p. 2, in *CDPSP*, Vol. 59, No. 42, November 14, 2007, p. 12.

42. Iskenderov, "Stopover in Tehran."

43. "Russia's Caspian Flotilla Ships Visit Iran," RIA-Novosti, November 3, 2007, via World News Connection.

44. "Iran FM to Discuss Prospects for Boosting Relations in Moscow," ITAR-TASS, December 12, 2007, via World News Connection.

45. "Last Consignment of Nuclear Fuel Arrives in Iran from Russia," Fars News Agency, January 28, 2008, via World News Connection.

46. "Russia Begins to Supply Nuclear Fuel to Iran, Hoping its Plans Peaceful," ITAR-TASS, De-

In addition, Mikhail Dmitriyev (director of the Russian Federal Service for Military-Technical Cooperation, and co-chairman of the Russian-Iranian intergovernmental commission) indicated that Moscow faces "considerable competition" in selling weapons to Iran, and that, "We don't want to leave this market, because in that event, it will be very difficult to return."⁴⁷ Further, Moscow — along with Beijing — has insisted that the dispute over the Iranian nuclear issue be resolved peacefully, and both have acted to soften any action that the US and its allies propose be taken against Tehran by the UNSC.⁴⁸ Moscow also called for the creation of an "Organization for Security and Cooperation" in the Persian Gulf area similar to the Organization for Security and Cooperation in Europe (OSCE) that would undertake "not to use force when it comes to solving disputes."⁴⁹

All this would suggest that the Putin visit to Tehran in October 2007 did indeed usher in a new era of Russian-Iranian relations in which both sides are prioritizing bilateral cooperation, particularly *vis-a-vis* the US. Nevertheless, this attempt to achieve harmony has been marred by a number of discordant notes.

Moscow has genuinely hoped to induce Tehran to agree not to enrich its own uranium but let Russia do this for it, one way or another, in order to resolve the Iranian nuclear crisis. Moscow may have originally hoped that delaying the delivery of Russian enriched uranium that was supposed to begin in March 2007 would induce Tehran to see the wisdom of making such a pledge. If so, this did not work. Moscow may then have hoped that delivering the enriched uranium might bring about the desired result. Soon after Atomstroieksport began delivering enriched uranium to Bushehr in December 2007, the Russian Foreign Ministry asserted that Iran now had "no objective need" to enrich its own uranium.⁵⁰

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December 17, 2007, via World News Connection.

47. "Moscow to Take Part in Strengthening Iran Air Defense—Diplomat," ITAR-TASS, December 27, 2007, via World News Connection.

48. Megan K. Stack and Mark Magnier, "Iran's Supporters Pleased, Skeptical," *Los Angeles Times*, December 6, 2007, p. A15; and "Has Iran Won?" *The Economist*, February 2, 2008, p. 13. There are important similarities between Russian and Chinese foreign policies toward Iran, but also important differences. Moscow and Beijing have worked together to soften UN Security Council resolutions concerning the Iranian nuclear issue. Like Russia, China also sells weapons to Tehran. Beijing, though, has not provided nearly as much nuclear assistance to Iran as Moscow has. Indeed, Beijing appears to have abided by a 1998 agreement it reached with Washington to end its nuclear ties to Tehran. While Russia and Iran are both petroleum exporters, China imports petroleum from both. Perhaps most importantly, Moscow has sought to play a key role in resolving the Iranian nuclear crisis through enriching uranium for Tehran. Beijing, by contrast, has not sought to play as active a role in this matter. On the Sino-Iranian relationship, see John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (Seattle: University of Washington Press, 2006); Bates Gill, "Review of *China and Iran: Ancient Partners in a Post-Imperial World*" *The China Journal*, Vol. 58 (July 2007), pp. 219-221; and Robin Wright, "Deepening China-Iran Ties Weaken Bid to Isolate Iran," *Washington Post*, November 18, 2007, p. A20.

49. "Russia Proposes Organization of Security and Cooperation for Persian Gulf," ITAR-TASS, January 28, 2008, via World News Connection.

50. Peter Finn, "Russia Ships First Lot of Nuclear Fuel to Iran; Kremlin, U.S. Officials Say Step Removes Need for Tehran to Pursue Enrichment," *Washington Post*, December 18, 2007, p. A12.

While President Bush embraced this logic, Tehran did not.⁵¹ Indeed, as the Russian press itself often noted as the eight shipments of enriched uranium from Russia to Iran were being made, the Iranian government continued to assert its intention to enrich its own uranium.⁵² In mid-January 2008, *Nezavisimaya gazeta* described "Moscow's disappointment with Tehran, which has not even responded to its request to halt uranium enrichment if only for a time."⁵³

Another discordant note appeared with regard to how soon the Bushehr nuclear reactor for which Russia delivered fuel would actually start up. Iranian Foreign Minister Mottaki stated that the plant would start up at 50% capacity in the summer of 2008.⁵⁴ Atomstroiexport officials, by contrast, stated that the Bushehr reactor could not start up before the end of 2008.⁵⁵ This, of course, only served to fuel Iranian fears that the long-delayed start up of the Bushehr reactor would be even further delayed. A December 28, 2007 *Nezavisimaya gazeta* commentary may have added to these fears by explaining just how Moscow could do this even after it delivered the necessary enriched uranium:

The actual loading of the fuel into the reactor will only begin after all 163 main fuel assemblies and 17 reserve assemblies have arrived at the site. However, the fuel rods alone are not sufficient for full physical trials, still less for the energy-producing startup. A certain quantity of equipment from third countries must also arrive on site. And experience shows that it is these third countries that are not always reliable.

Some analysts believe that Russia is using the Bushehr nuclear power station as a strong diplomatic lever of influence in Iran and a bargaining counter with its Western partners. There is a theory that Moscow is deliberately manipulating the timing of the startup of the power station until such time as Iran fully settles its relationship with the IAEA and complies with UN Security Council demands. The problems with third parties serve as a convenient instrument for these manipulations.⁵⁶

Indeed, some in Tehran may suspect that Moscow may have already implemented a strategy such as this even while completing delivery of the enriched uranium for Bushehr. On January 31, the *Los Angeles Times* reported that, "Ahmad Fayyaz-Bakhsh, deputy chief of Iran's nuclear energy association, told reporters ... that the Russians had yet to deliver 'precision instruments which should be provided ... as a final touch.' He said the Russians had promised to deliver the equipment, presumably for use in the

51. Finn, "Russia Ships First Lot of Nuclear Fuel to Iran."

52. See, for example, "Iran, Russia to Agree on Bushehr N-Plant Commissioning Timeline," ITAR-TASS, January 14, 2008, via World News Connection.

53. Ilya Kononov, "Moscow Changes Position on Iran," *Nezavisimaya gazeta*, January 15, 2008, via World News Connection.

54. "Iran-Russia-Bushehr," IRNA, December 31, 2007, via World News Connection.

55. "Russia Makes Third Fuel Supply for Iran Nuclear Power Plant," ITAR-TASS, January 18, 2008, via World News Connection.

56. Ilya Kononov, "Iran Needs 20 Nuclear Power Stations: Launch of Bushehr Nuclear Power Station Remains Subject of Speculation," *Nezavisimaya gazeta*, December 28, 2007, via World News Connection.

plant's control room, by October."⁵⁷

In addition, Tehran's continued unwillingness to settle its relationship with the IAEA and comply with UN Security Council demands despite the delivery of Russian enriched uranium resulted in greater willingness on Moscow's part to discuss additional UNSC sanctions against Iran. Moscow, though, found itself in an unpleasant situation: Whereas Washington and its European partners were critical of Moscow for seeking to tone down any additional sanctions against Iran, many in Tehran were annoyed with Moscow for its willingness to discuss with the West the possibility of additional UNSC sanctions at all.⁵⁸ In the end, Russia joined with the US and all other members of the Security Council (except Indonesia, which abstained) in voting on March 3, 2008 for Resolution 1803 imposing additional sanctions on Iran.⁵⁹

There was also a brief *contretemps* over another issue. Toward the end of December 2007, the Iranian Defense Minister announced that Moscow would supply Tehran with the advanced S-300 air defense missile system.⁶⁰ This led to much press coverage in the West about how Putin is enabling Tehran to defy the US.⁶¹ Moscow, though, flatly denied that it was selling this weapon system to Iran. The Russian Federal Military and Technical Cooperation Service issued a statement saying that the supply of the S-300 to Iran "is not being discussed and is not at present on the agenda with the Iranian side."⁶² This statement suggests that reassuring Washington on this issue was more important to Moscow than not offending or embarrassing the Iranian Defense Minister concerning it.

Further, in early 2008, Tehran continued to be optimistic about the possibility of creating a "gas OPEC," while Moscow downplayed the prospects for doing so.⁶³ In February 2008, *Nezavisimaya gazeta* quoted high level Iranian officials (including Foreign Minister Mottaki) saying that Tehran was willing to participate in two gas pipeline routes — White Stream (which would run from Georgia, across the Black Sea to Ukraine and Eastern Europe) and Nabucco (which would run from Turkey to the Balkans and Central Europe) — that avoided Russian territory and which Moscow opposes.⁶⁴ Tehran, though, did sign agreements with Gazprom to develop "two or three

57. Ramin Mostaghim and Borzou Daragahi, "Iranian Trumpets Nuclear Feats," *Los Angeles Times*, January 31, 2008, p. A8. Whether this equipment was from Russia or from third countries was not specified.

58. Saeed Barzin, "Iran Brushes Aside Sanctions, Hints at US Talks," via BBC Monitoring, January 24, 2008.

59. For the text of UNSC Resolution 1803, see "Security Council Tightens Restrictions on Iran's Proliferation-Sensitive Nuclear Activities, Increases Vigilance over Iranian Banks, Has States Inspect Cargo," United Nations Department of Public Information, News and Media Division, New York, SC/9268, March 3, 2008, <http://www.un.org/News/Press/docs/2008/sc9268.doc.htm>.

60. "Defense Minister Najjar: Russia to Deliver S-300 SAM System to Iran," Voice of the Islamic Republic of Iran Radio 1, December 26, 2007, via World News Connection.

61. See, for example, Luke Harding, "Russia Sells Iran New Anti-Aircraft Missiles," *The Guardian*, December 27, 2007, p. 26; and Borzou Daragahi and James Gerstenzang, "Iran Reports Air Defense Purchase," *Los Angeles Times*, December 27, 2007, p. A3.

62. "Russia Not Considering S-300 Missile System Supplies to Iran—Federal Service," RIA-Novosti, December 28, 2007, via World News Connection.

63. "Iran, Russia Pushing for 'Gas OPEC,'" *Tehran Times*, January 26, 2008; and Dmitry Zhdanikov, "Russia Says OPEC-like Gas Cartel Not in Sights," Reuters, January 24, 2008.

64. Sokhbet Mamedov, Aleksey Shcheglov, and Miroslav Limanskiy, "Tehran Once Again Trips
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sectors" in the South Pars gas field, and with its subsidiary, Gazpromneft, to participate in an oil project.⁶⁵ While Moscow and Tehran cooperate to some extent in the petroleum realm, it is clear that they continue to have — and pursue — competitive interests.

CONCLUSION

While the October 2007 Putin visit to Tehran appears to have played an important role in resolving the Russian-Iranian impasse over the delivery of the enriched uranium needed for launching the Bushehr nuclear reactor, it is clear that Moscow and Tehran continue to disagree over how to handle the Iranian nuclear issue as a whole as well as over other issues. Indeed, these ongoing Russian-Iranian disagreements reflect a larger problem in their relationship that appears unlikely to be resolved.

Both Russia and Iran have prickly regimes that much prefer to defy America and the West than to cooperate with them. But while this gives Moscow and Tehran an incentive to cooperate with each other, the prickliness of each of them makes this extremely difficult.

In addition, the two sides appear to have very different views about how much each needs the other. Moscow understands that Iran regards America as its primary opponent. Moscow, then, sees Tehran as dependent on Russia for support and protection against the US. From the Russian point of view, Tehran thus should be willing to make concessions to Moscow — such as agreeing to allow Russia to supply all of Iran's enriched uranium and renouncing the desire to enrich uranium for itself.

Tehran, though, sees things quite differently. Iran has had troubled relations with Russia for far longer than with America, and there is deep distrust for Russia even among Iranians who distrust the US. Iranians who see themselves as successfully defying America, the world's greatest power, see no reason why they should make concessions to Russia, which they view as a much lesser power. Indeed, many in Tehran see Russia as needing to make concessions to Iran for fear of risking the loss of Iranian business to China, India, Japan, or Europe.

What this suggests is that the differences between Moscow and Tehran are so great that there is a definite limit on the extent to which each is willing to cooperate with the other — even against the US. On the other hand, while their differences are likely to remain serious, it seems highly unlikely that they will lead to a breakdown or serious worsening of Russian-Iranian relations. For both Moscow and Tehran, having contentious relations with other governments is normal. Indeed, there are very few other governments with which either of them has genuinely close, friendly relations. So long as both Moscow and Tehran both regard Washington as their principal opponent, their contentious cooperation with each other is likely to continue.

Will different leaders in Russia or Iran change this? On March 2, 2008, Russia elected Putin's hand-picked candidate, Dmitry Medvedev, as its new President. Since Medvedev has promised to continue Putin's policies, and since Putin himself will be

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Up Moscow," *Nezavisimaya gazeta*, February 13, 2008, via World News Connection.

65. "Russia's Gazprom to Extract Oil, Gas Condensate in Iran—Details," ITAR-TASS, February 19, 2008, via World News Connection.

his Prime Minister, it seems unlikely that the Russian foreign policy approach toward Iran in the Medvedev presidency will differ from that of the Putin presidency. Since the Iranian *Majles* does not play a large role in Iranian foreign policy-making, it is doubtful that the March 2008 *Majles* elections will lead to a change in Iranian foreign policy toward Russia either. If, however, Ahmadinejad either loses or does not run in the 2009 Iranian presidential elections, his replacement might be someone who seeks to reorient Iranian foreign policy in general as well as toward Russia in particular. But as was seen when the reformist Muhammad Khatami, Ahmadinejad's predecessor, was President, there may be little that he can do to change Iranian foreign policy so long as Ayatollah Khamene'i remains Supreme Leader — or even afterward, if the next Supreme Leader is just as conservative.