CSAG INFORMATION PAPER:

"Vital, Sensitive & Strategic Cooperation Pact between Russia and Iran"

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- 1. Subject: "Vital, Sensitive & Strategic Cooperation Pact between Russia and Iran"
- **2.** <u>Purpose</u>: This paper presents key points and analysis of the recent signing of a Strategic Partnership Agreement between Russia and Iran.
- 3. Introduction: On January 17, 2025, Russia and Iran signed the Comprehensive Strategic Partnership for improvement of ties between the two states. The treaty, which is set to last for 20 years, with automatic extensions of subsequent five-year periods, aims to expand economic cooperation, mitigate impact of the U.S. sanctions, and strengthen military & political partnership. With Russia and Iran under western sanctions, including restrictions on vital energy industries, retreating Iranian influence in the Middle East, the fall of Assad Regime in Syria, and a new U.S. administration, a new cooperation pact became necessary to mitigate setbacks in Middle East. However, the pact does not constitute a military alliance and requires no direct obligations from either party. Instead, it simply formalizes the close ties between Iran and Russia that have developed since the start of the Russia-Ukraine war.
- **4.** <u>Key Points</u>: The agreement builds upon the first strategic cooperation pact signed between the two countries in 2001. The newly formed strategic cooperation agreement is comprised of 47 articles covering a broad spectrum of collaborations. Key points from the agreement are as follows²:
 - a. If one party to the treaty is subjected to aggression, the other party will not provide military or any other assistance to the aggressor that could prolong the aggression. They will also work to ensure that disputes are resolved in line with the United Nations Charter and other applicable international laws.

¹ Alexandra Sharp "Russia, Rian Ink Broad Strategic Partnership" <u>Russia, Iran Sign Strategic Partnership to Combat Western Sanctions</u> (accessed on January 21, 2025)

² The Moscow Times "Russia, Iran to Sign Comprehensive Strategic Partnership Treaty" https://www.themoscowtimes.com/2025/01/13/russia-iran-to-sign-comprehensive-strategic-partnership-treaty-kremlin (accessed on January 22, 2025)

- b. The parties will not allow their territories to be used for supporting separatist movements or actions that threaten the stability and territorial integrity of the other party, nor for any hostile activities against each other.
- c. To enhance national security and counter shared threats, the intelligence and security agencies of both parties will exchange information and expertise and strengthen their collaboration. These agencies will work together within the framework of separate agreements.
- d. The Contracting Parties shall promote the development of long-term and mutually beneficial relations to implement joint projects in the field of peaceful uses of nuclear energy, including the construction of nuclear power facilities.
- e. The parties will collaborate to maintain the Caspian Sea as a region of peace, good neighborliness, and friendship, based on the principle of excluding military forces not belonging to the coastal states, ensuring security and stability in the area. The point is to safeguard Iranian and Russian strategic interests against armed forces of non-Caspian nations in the Caspian Sea.
- f. If unilateral coercive measures are imposed by a third party on one treaty party, both will take practical steps to reduce risks and minimize the direct and indirect impacts on their mutual economic relations, individuals, entities, or assets.
- g. The parties will work together to establish a modern, independent payment infrastructure free from third-party interference, transition to bilateral payments in their national currencies, enhance direct interbank cooperation, and promote national financial products (MIR & Shetab Payment Systems).
- h. The parties will encourage their media outlets to engage in extensive cooperation to raise public awareness, support the free flow of information, and jointly counter false news and negative propaganda against Iran and Russia.

5. **Analysis**

- a. Russia may supply Iran with more advanced weaponry, including fighter jets, missile defense systems, and drones. This could bolster Iran's military capabilities against the U.S. and its regional allies. This may also heighten aggression in proxy conflicts.
- b. Important to note is that this treaty **does not** include a mutual defense pact or constitute the formation of a formal military alliance; it stops short of a mutual defense agreement unlike the treaty Russia signed with North Korea last year. That perhaps reflects a limit to the relationship between Iran and Russia that has already been seen in Syria.
- c. The JCPOA expiring in October 2025 with little hope of its revival could potentially play a major role in revitalizing Iran's nuclear program. While both nations assert that their nuclear cooperation is for peaceful purposes, the possibility of clandestine assistance on nuclear weapons development cannot be overlooked.
- d. Both nations are under heavy U.S./EU sanctions. This is likely to increase under the return of the U.S. Maximum Pressure Campaign, making economic cooperation a way to by-pass restrictions through alternative trade mechanisms (e.g., barter trade, digital currencies, and Ruble-Rial exchanges). Closer energy cooperation could help manipulate global oil prices, affecting U.S. and European energy markets.

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- e. Beyond oil and gas, the countries are collaborating to diversify their economy by securing new
 - markets in Asia, especially China and India. Iran's strategic location makes it a transit route for goods moving between Europe and Central Asia and as far as China and India.
- The International North-South Transport Corridor (INSTC) linking Russia, Iran, and India could provide an alternative to Westerncontrolled maritime routes. The partnership aligns with China's Belt Road Initiative and (BRI), potentially integrating Iranian and Russian infrastructure with Chinese-led trade networks. This collaboration of corridors may challenge western response to China's BRI i.e. India-Middle East-



Europe Economic Corridor (IMEC). However, INSTC growth potential is impeded by the lack of external investments.

- g. The partnership reinforces the Tehran-Moscow-Beijing (TMB) triangle, challenging the U.S. dominance in Eurasia and the Middle East. Iran and Russia will likely increase coordination in Syria, Lebanon (via Hezbollah), and Yemen.
- h. The strategic partnership agreement will also lead to a strengthening of cybersecurity cooperation between Russia and Iran. As Russia and Iran are both expanding their use of artificial intelligence in offensive cyberattacks, this agreement could strengthen collaboration in the AI sphere.
- i. While the Russia-Iran strategic partnership agreement has clear provisions for expanded security cooperation, it is relatively light on specifics. Based on patterns of Russia-Iran dialogue in the immediate buildup to the agreement, Iranian Air Force modernization, economic collaborations and cybersecurity cooperation are likely top of the agenda.
- j. Though Russia is trying to increase its influence in the Middle East through military and economic cooperation, an eventual negotiated settlement in Ukraine and continuity of Gaza ceasefire could thaw Russia-Israel relations, which in turn can slow the scale of security cooperation between Russia and Iran.
- k. While both countries have aligned interests, language in the new strategic partnership pact shows signs of mistrust. Moreover, Russia has a history of prioritizing its own strategic interests over alliances (e.g., Syria or past nuclear negotiations) and if Iran demands guarantees against such actions, it could be a sign of lingering mistrust.