

SEPTEMBER 2024

DEFYING ISOLATION: How Russia and Iran's Alliance Challenges Western Democracies

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THIS NSI BACKGROUNDER

1

SUMMARIZES

the deepening military ties and the commitments between Russia and Iran.

2

DETAILS the impact of the increased cooperation between Russia and Iran globally and specifically in the Middle East and Europe.

3

DESCRIBES Russia's use of relationships with rogue nations, including Iran, to offset the isolation from the West brought on by its second invasion of Ukraine and to undermine the alliance of free and democratic nations.

4

IDENTIFIES key items to watch in the future, including ongoing Russian support for Iran's nuclear program, Russia's position on regional conflicts in the Middle East going forward, the expansion of military and intelligence engagement between the two nations, and the role of both nations in the potential escalation of the Gaza conflict across the wider Middle East.

HISTORY OF RUSSIAN-IRAN RELATIONS

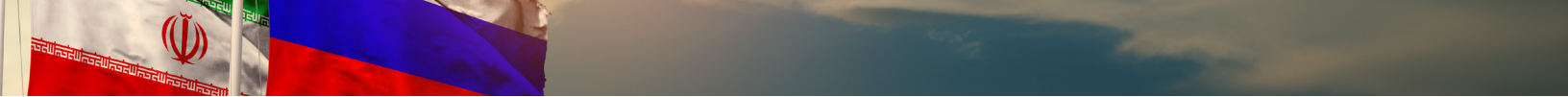
- **Russia and Iran's complicated past.** Tsarist Russia's interference in Iran's Constitutional Revolution in the early 20th century, followed by the Soviet Union's support for secessionist movements and occupation of key parts of Iran during World War II, as well as Soviet support for Iraq in the latter part of the Iran-Iraq War in the 1980s made for a strained relationship for much of that era.¹
 - However, cooperation between the two has increased significantly since 1989, when the Soviet Union and Iran signed a major arms deal.²
 - Indeed, post-Soviet Russia has been a key supporter of Iran, including helping build the Bushehr nuclear reactor, Iran's first "commercial" nuclear plant.³



- **Strategic partnership.** In 2001, Russia and Iran signed a 10-year strategic agreement that has been extended twice.⁴ This agreement is aimed at increasing cooperation across a variety of industries, including technology, security, and energy projects, such as the construction and use of nuclear power plants.⁵
 - More recently, in late 2023, the two announced they were on the brink of signing a more comprehensive and ambitious strategic agreement that would represent a new level of cooperation between the two nations,⁶ potentially including “closer political ties” and joint “collaboration on military technology and intelligence sharing.”⁷
 - In June 2024, it was reported that work on the agreement had been temporarily suspended; however, Kazem Jalali, Iran’s ambassador to Russia, indicated the reports were false, so the possibility that a deeper formal relationship is being established remains in play.⁸

RUSSIA AND IRAN’S DEEPENING MILITARY COOPERATION

- **Iranian weapons used by Russia in its fight in Ukraine.** In recent years, Iranian and Russian cooperation has significantly deepened, particularly when it comes to military-to-military ties. For example, during the course of its war in Ukraine, Russia has received significant quantities of artillery shells, drones, and ballistic missiles from Iran.⁹
 - In particular, Iran’s sale of at least 1,700 unmanned aerial vehicles (UAVs) to Russia, including the Shahed-131 and Shahed-136 one-way attack drones¹⁰—which are frequently used *en masse* to overwhelm air defenses in attacks on civilian and military targets—have been a key game-changer for the Russian military on the ground in Ukraine.¹¹
 - More recently, it was announced in August that Russia was expecting the delivery of Iranian-built Fath-360 ballistic missiles and that Russian military personnel were being trained on their use.¹²
 - With technical assistance from Iran, Russia has also built a factory in its Tatarstan region to domestically produce the Iranian-developed Shahed drones, with production capacity estimated to reach as many as 6,000 drones annually by 2025.¹³
 - According to the Washington Post, Russia has also agreed to purchase nearly \$2 billion in additional military equipment from Iran, including anti-drone systems and surface-to-surface missiles for use in Ukraine.¹⁴
 - In 2023, Russia was the single largest importer of Iranian military technology, making up 75% of Iran’s global exports of weapons.¹⁵
 - In addition, Iran has deployed military and intelligence officials on the ground in Ukraine to support Russian military efforts, including the use of drones.¹⁶
 - The presence of Iranian military advisors on the ground in Ukraine in support of Russian offensive efforts represents a significant step-change in acknowledged Iranian military activity outside of the Middle East and, in particular, in Europe.¹⁷
- **Russian arms and military support to Iran.** As Iran has been providing increased mil-to-mil support to Russia, the same is true in return. While the last major arms deal between Russia and Iran prior to last year was the sale of the Russian S-300 missile defense system in 2016,¹⁸ there are strong indications that Russia may increase its military support to Iran despite the war in Ukraine.
 - Currently, Russia is the world’s third-largest arms exporter, accounting for 11% of global arms exports.¹⁹ While Iran ranks low both globally and in the Middle East as an arms importer, in 2023 Iran placed a large order—indeed, its largest order in two decades—for 24 Russian Su-35 fighter jets.²⁰
 - News accounts from earlier this year appear to indicate that the expected agreement for these military aircraft has been finalized.²¹ Iran also received Yak-130 jet trainers from Russia in September 2023.²²
 - Russia has reportedly been providing Tehran with U.S. equipment captured on the battlefield in Ukraine ostensibly to help Iran prepare for any future conflict with the United States or its allies.²³
 - In conjunction with its significant expansion in military cooperation directly with Iran, Russia has also deepened its military ties to Hezbollah, a key Iranian proxy.
 - For example, Russia has recently provided Hezbollah with anti-ship missiles that could pose a threat to American ships in the Mediterranean.²⁴



TRADE AND ECONOMIC TIES

- **Increased trade between Russia and Iran as a method to evade sanctions.** Iran and Russia have also been working together to help evade Western sanctions placed on both nations.
 - The primary way Russia and Iran avoid sanctions is through “indirect”²⁵ oil exports to China. However, more recently, Russia has begun supplying fuel directly to Iran, with shipments beginning in February of 2023.²⁶
 - Additionally, in 2023 after President Raisi’s visit to Russia, Iran and the Russian-led Eurasian Economic Union signed a major free trade deal that opened up trade across a variety of products, eliminated custom duties for 90% of goods, and “establishes a preferential regime for almost all trade between Russia and Iran.”²⁷
 - ▣ As a result of the deal, as well as other extensive joint efforts to skirt U.S. and allied sanctions on both Iran and Russia, the direct trade turnover between the two nations grew by 20% to \$4.9 billion in 2022 alone, particularly after Russia’s invasion of Ukraine.²⁸ This increase in exports has continued into 2023 with Iranian exports to Russia valued at \$1.29 billion, a 16% increase.²⁹
 - Another potential route for sanctions evasions appears to be the International North-South Transport Corridor (INSTC), which connects Russia, Azerbaijan, Iran, and India.
 - ▣ Among other things, the INSTC could boost bilateral trade between Russia and Iran³⁰ and, as a result, the transportation route has been flagged for its potential to help the two countries evade sanctions.³¹

RUSSIA’S MIDDLE EAST DIPLOMATIC STRATEGY

- **Russian use of multilateral organizations.** Russia has also used its seat on the UN Security Council to protect Iran from U.S. sanctions threats and to veto UN resolutions highlighting Iran’s efforts to destabilize the Middle East and violations of international law.³²
 - Russia abstained from a UN Security Council vote in January 2024 to condemn Houthi attacks on cargo ships and has apparently reached an understanding with Houthi rebels to provide political support in return for safe passage of Russian ships.³³
 - Russia also abstained from voting on the UN Security Council resolution proposing a ceasefire deal between Israel and Hamas (another Iran-backed terrorist group).³⁴
- **Raising Russia’s diplomatic stature in the Middle East.** Russia has long sought to position itself as a great power and key mediator in the Middle East, most recently by cultivating stronger ties with Iran. Additionally, Russia seeks to sow discord between the U.S. and its Middle Eastern allies by strengthening its relationships in the Persian Gulf and backing Iran and Iranian proxies, further complicating regional dynamics.
 - In 2023, after Israel’s invasion of Gaza, Russian President Vladimir Putin characterized the Israel-Hamas war as a failure of U.S. policy in the Middle East.³⁵
 - Since then, Putin traveled to visit both Saudi Arabia and the United Arab Emirates and hosted then-Iranian President Ebrahim Raisi in Moscow to discuss the wars in Gaza and Ukraine.³⁶
 - In early 2024, Russia also invited a dozen Palestinian groups, including Hamas, to Moscow for “inter-Palestinian” talks, highlighting Russia’s efforts to increase its diplomatic role in the region.³⁷



» KEY ITEMS TO WATCH

ONGOING RUSSIAN SUPPORT OF IRAN'S NUCLEAR PROGRAM.

- In 2005, Russia agreed to supply nuclear fuel for Iran's Russian-built Bushehr nuclear power reactor.³⁸ Construction has begun on a second unit at Bushehr and a third is reportedly planned.³⁹ The committed supply of reactor fuel undermines Iranian claims that its domestic enrichment efforts are focused on civilian nuclear programs and the strengthened ties between Russia and Iran may actually encourage Iran to continue to expand its own nuclear capabilities, including its ongoing effort to enrich significant amounts of uranium-235 to near-weapons-grade levels.

RUSSIA'S POSITION ON REGIONAL CONFLICTS.

- Russia has been increasingly involved in regional conflicts, particularly in Syria, Lebanon, Libya, and Yemen, with most of these efforts strategically aligned with Iran's interests and sometimes involving the provision of direct support to Iranian proxies.
 - In November of 2023, the White House declassified intelligence confirming that the Wagner Group has been preparing to provide air defense capabilities to "Hezbollah or Iran," raising the potential for a new front in the Israel-Hamas conflict.⁴⁰ Increased Wagner support for Iranian objectives or proxies will be important to watch, as they serve to strengthen Russia's position and goal of becoming a critical actor within the region.

EXPANSION OF DIRECT MILITARY AND INTELLIGENCE ENGAGEMENT BETWEEN IRAN AND RUSSIA IN EUROPE AND THE MIDDLE EAST.

- The building of an Iranian drone factory in Russia and the active presence of Iranian military and intelligence personnel on the ground in Ukraine is a deeply troubling development. Given this, a very close eye should be kept on whether Iran continues to strengthen its presence in these areas in an effort to expand its direct destabilizing activities beyond the Middle East. Likewise, Russia's provision of both offensive and defensive capabilities to Iran as well as the sharing of equipment and intelligence on American and allied capabilities obtained in the Ukrainian theatre could embolden Iran and make it more aggressive in the region.

ESCALATION OF CONFLICT IN GAZA AND THE BROADER MIDDLE EAST.

- In recent months, both Iran and Israel engaged in tit-for-tat exchanges of missile and drone strikes, with Iran striking Israel directly from its own territory for the first time in history. While Iranian-backed Hamas, Hezbollah, and Houthis proxies are already in the fray, additional direct Iranian involvement could signal a major escalation in the conflict and, if Russia were to back these efforts, could represent a significant challenge for United States allies and partners in the region, including Israel, going forward.



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