



BULLETIN

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Editors: Jarosław Cwiek-Karpowicz • Aleksandra Gawlikowska-Fyk • Dariusz Kałan
Piotr Kościński • Sebastian Płociennik • Patrycja Sasnal • Marcin Terlikowski
Katarzyna Staniewska (Managing Editor)

Effects of the P5+1 Nuclear Deal with Iran

Marcin Andrzej Piotrowski

The aim of the newly signed agreement between the P5+1 group and Iran is unprecedented in its constraints and control of the country's nuclear potential and infrastructure. Consistent implementation of the deal should limit the risk of Iran building a nuclear arsenal for at least 10–15 years. The deal is a result of a United States' compromise to phase-out sanctions in exchange for Iran freezing and limiting all elements of its nuclear programme. The potential outcome of this very technical agreement does not mean Tehran will make quick and radical decisions regarding internal reforms, economic liberalisation or a change in its regional policy. The deal does not cover Iran's missile programme, so NATO missile defence plans should be implemented according to the previous goals and schedule.

A deal with Iran, called the Joint Comprehensive Plan of Action (JCPOA), and the P5+1 group of powers was finally signed in Vienna on 14 July and is in many aspects unique. At its core are gradual limits on Iran's nuclear infrastructure in exchange for a phase-out of acute economic sanctions against the regime. It is the first agreement of its kind, in part because it requires a high level of intrusive monitoring and inspections and also because it covers such an advanced and expanded nuclear programme that carries the potential for military purposes. The document is not an international treaty but a complicated inter-governmental agreement with integral parts in technical annexes. These annexes detail intended changes to the Iranian nuclear programme, the mechanism for lifting the sanctions, areas of nuclear cooperation, the creation of a Joint Commission of the signatories, and a plan for implementation of the whole deal. Parallel to the JCPOA, Iran signed a separate cooperation road map with the International Atomic Energy Agency (IAEA) to explain by the end of 2015 the "possible military dimension" of its programme in the past. All these agreements were strengthened by the approval of a special resolution of the United Nations Security Council (UNSC) on 20 July.

Configuration of Iran's Nuclear Programme. According to the JCPOA, Iran will preserve capabilities for uranium enrichment, gained in violation of obligations under the Non-Proliferation Treaty (NPT) and subsequent UNSC resolutions. It is an important concession to the Iranian demands, however it came with gains for the P5+1. The whole Iranian programme will be under a unique regime of monitoring and control based on the provisions in the JCPOA and roadmap as well an additional protocol to the NPT, expected to be signed soon. The UN/IAEA team of inspectors (with up to 150 members) will monitor all elements and phases of the enrichment process, from uranium mining to storage and use of the isotopes and producing fuel for reactors. The agreement will limit Iran's capabilities for a so-called "break out" or "sneak out" to obtain highly-enriched uranium (90–93%), necessary for nuclear warhead construction. Before the deal, Iran had accumulated enough uranium for 8–10 warheads and was projected to be able to build its first one in as little as 2–3 months. After full implementation, the practical time to gain enough material for a first warhead will be about 12 months. The extended timeframe creates more time for diplomatic and military reactions in case of violations of the JCPOA by Iran, especially important for U.S. President Barack Obama, who has sought that goal since the beginning of the negotiations.

The JCPOA obliges Iran to conduct various activities within certain timeframes spanning from eight to 25 years, and some will be in force with no termination date. The most important of these goals are cutting the quantity of uranium enrichment centrifuges from 19,000 to 6,104 (in Natanz and Fordow), production for 10 years only of low-enriched uranium (to 3.67%), elimination of faster IR-2M centrifuges, limits and inspections of experiments with more advanced centrifuges, and reducing Iran's stockpile of low-enriched uranium from its current 10 tonnes to 300 kg. The JCPOA also eliminates Iran's pathway to a plutonium-based nuclear warhead for the next 15 years because the country will

redesign its Heavy Water Reactor in Arak, will refrain from building similar reactors and will ship out any used reactor fuel. It is noteworthy that all of these basic parameters of the JCPOA were agreed already in April under the framework deal set in Lausanne and Obama's administration did not buckle to some detailed Iranian demands that multiplied during the last rounds of negotiating the final deal.

Process of Lifting the Sanctions. The final deal does not end all of the sanctions imposed by the U.S., the EU and UN on Iran. This is because the agreement is based on the phased implementation by Iran of the deal, with all steps verified by the IAEA. The first step in lifting the sanctions is that Iran will gain access to its frozen assets in international banks, or about \$100 billion from oil exports. After implementation of the roadmap with the IAEA, Iran will no longer be subject to the EU's oil embargo. The U.S. and EU are also ready to lift sanctions on Iranian shipping and car industries as well spare parts for its civilian airlines and on cooperation. Much more complicated is the lifting of the unilateral U.S. sanctions due to the current resistance of the U.S. Congress to the JCPOA and the many laws and presidential executive orders that have imposed further sanctions on Iran since 1979. For these reasons, Annex II to the agreement foresees lifting only Obama's executive orders in regards to sanctions. What will remain in force are American sanctions that target Iranian individuals and entities supporting terrorism. The U.S., as with the EU, will lift sanctions against Iranian nuclear experts and institutions as well as its banking sector. The final deal foresees also that JCPOA's Joint Commission will have 30 days to investigate any breach of the agreement and if access is not granted, all of the sanctions will be put back in place after 65 days. This clause of the deal protects the interests of the U.S. and EU in case of Russian or Chinese obstruction.

The expected lifting of the sanctions has raised Iranians' optimism in their economic future, as well as hopes for potential partners and investors in its market of 78 million people. With its signing, the deal allows the return of 30 Iranian banks to the global inter-banking transfer system known as SWIFT. Equally desired is the return of Iranian oil to the global market, which has resulted in much speculation about possible benefits for European countries. Because this will not happen earlier than in the beginning of 2016, it also gives time for Saudi Arabia and the rest of OPEC to react to the market change, possibly to increase production, play with relatively lower prices and influence the problems in the oil sector in Iran. Taking into account Iran's priority demands for high-tech and big investments in infrastructure, the main benefactors of this economic opening might be leading economies in the EU; however, new opportunities are also opening for commerce and tourism services. Poland and many other potential European partners of Iran, should expect to operate in an environment of changing and complicated economic laws, as well to face economic bureaucracy and deal with corruption among officials.

The Internal and Regional Context. The deal has a high chance of implementation by the Iranian government as long as Ali Khamenei, Supreme Leader of Iran, is alive (he is 75 now). Without his approval, any nuclear negotiations and final deal were impossible. Khamenei is clearly supporting the presidency of Hassan Rowhani and is the ultimate arbiter of inter-factional disputes within the regime. He also accepted the government's plans for economic development by 2020. It seems that, likewise, Iran's Revolutionary Guards have recognised the necessity of improving the economic situation and increasing internal stability.

The nuclear deal does not restore Tehran's diplomatic relations with the U.S., which like Israel is seen as an enemy by the theocratic Iranian regime. Also, for the foreseeable future, there is likely not to be any revision in Iran's regional policy, which is formulated and implemented by the Revolutionary Guards. During the last decade, Western hopes for Iran to play a positive role in Afghanistan and Iraq were not fulfilled, so it is hard to expect the Guards to give up their support for Shia militias in Yemen, Iraq and Lebanon, for the Syrian regime or for Palestinian radicals. Paradoxically, détente between the big powers in a time of instability in the Middle East means Tehran has a chance to preserve and expand its regional influence. This might cause a deeper deficit of trust in traditional regional alliances with the U.S., too. On the one hand, it necessary for Washington to have more empathy for the concerns of the Saudis, Turks and Israelis, but on the other, these U.S. allies must adapt to the new reality of U.S. policy and the implementation of the JCPOA. Positive and negative changes among the U.S.'s allies to the nuclear deal might take months, if not years. However, the scenario of an informal Saudi-Israeli alliance against Iran also seems to be unrealistic if there are no chances for a renewal of the Middle Eastern peace process.

NATO Missile Defence. The JCPOA preserves the UN embargo on deliveries of advanced weapons for five years and on transfers of missile technologies for eight years. Because the nuclear deal does not cover Iran's missile programme, the country is not restricted on attempts to renew and intensify missile tests under cover of its civilian space programme, including launched vehicles (although the programme has been frozen for the last few years). The issue is of obvious importance—no lesser than implementation of the deal—because of the shape and pace of the ballistic missile defence plans of the U.S. and NATO. The approach of the U.S. and NATO is based on assumptions that Iran presents a potential threat: it is continuing with its missile ambitions, maintains a chemical weapons arsenal and, even with JCPOA, will retain the capabilities to resume its pursuit of a nuclear military arsenal. The probable restart of the long-range ballistic missile programme by Iran should also neutralise Russia's demand to stop the U.S./NATO missile defence plans and construction of the Redzikowo (Poland) missile defence base beginning in 2016, both of which have the support of the current U.S. administration, Congress and the Alliance.