



BRIEFING PAPER

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The prospects for the Iran nuclear deal

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Summary

In 2015 Iran [agreed a deal](#) with China, the EU, France, Germany, Russia, the UK and the US to limit the Iranian nuclear programme in exchange for sanctions relief. The deal was intended to prevent Iran from developing a nuclear weapons programme. It did not include measures on Iranian foreign policy or ballistic missile programme.

During his 2016 Presidential campaign Donald Trump made it clear that withdrawing the US from the deal would be one of his top foreign policy priorities and, after gradually distancing, the US [finally withdrew](#) from the deal in 2018.

As well as re-imposing sanctions lifted by the Joint Comprehensive Plan of Action (JCPOA), the Trump Administration went further, implementing a policy of “maximum pressure” in the hope of persuading Iran to conclude a better deal. “Maximum pressure” included extra sanctions, designating the Islamic Revolutionary Guards (IRGC) as a terrorist organisation and assassinating the Iranian General Soleimani, head of the overseas Quds Force.

Some of these moves may have been aimed at scuppering the incoming US Administration’s hopes of reviving the JCPOA.

The US has also boosted its military presence near Iran including keeping the aircraft carrier USS Nimitz in the Persian Gulf.

Iran has gradually moved to break its commitments under the JCPOA, [breaching the limit of low-enriched uranium](#) stockpile in June 2019. Iran has also passed legislation requiring the Government to speed up its resumption of nuclear activities if certain sanctions have not been lifted by February 2021. In January 2021 Iran [started enriching to 20%](#).

Iran has also conducted large military exercises and has indicated its willingness to defend itself “[openly and directly](#)”.

Where next for the JCPOA?

Critics say the JCPOA is too narrow in scope, doing nothing about Iran’s destabilising activities in the region or its ballistic missile programme. The ‘sunset clauses’, whereby restrictions on nuclear activities start to expire after 2025, have also come in for criticism. Some argue that the JCPOA should be expanded to cover these areas.

Many others agree that the only practical approach would be to revive the JCPOA as it is and leave other areas for future negotiations.

Many in the [incoming Biden Administration](#) argue that a return to the JCPOA as it is would bring immediate security gains to the region, although there are voices arguing for a more comprehensive approach. [European Union](#) and [UK officials](#) also support a direct return to the JCPOA.

1. Obama's legacy?

1.1 The JCPOA

In July 2015 Iran and the P5+1 (China, France, Germany, Russia, the UK and the US) signed the [Joint Comprehensive Plan of Action](#), the result of years of diplomacy led initially by France, Germany and the UK. There had been increasing concern at the possibility that Iran might develop a nuclear weapon. The agreement provided for Iran to accept limits on its nuclear programme in return for relief from sanctions.

The agreement held for the first few years. Both sides fulfilled their side of the bargain, with Iran's nuclear compliance [verified by the International Atomic Energy Agency](#) (IAEA).

The agreement did not include any undertaking from Iran to change its foreign policy or respect human rights, however, focusing narrowly on the nuclear issue.¹

Tehran continued with its "destabilising actions" in the Middle East, dashing any hopes that agreement on the nuclear issue would persuade Iran to soften its foreign policy. Sanctions relief increased the funds available to the Iranian Government.

1.2 Trump ends compliance

When Donald Trump won the US presidency in 2016, he vowed to end US participation in the JCPOA. During the campaign Trump said it was: "[the worst deal ever negotiated](#)" and could lead to a "nuclear holocaust". Some commentators argue that President Trump also wanted to "[shred the Obama legacy](#)".

The new policy was one of "maximum pressure" and the US gradually moved to distance itself from the deal, finally [withdrawing unilaterally](#) in May 2018 and re-imposing all US sanctions that had been lifted by the JCPOA.

In April 2019 the White House [designated the Islamic Revolutionary Guards](#) as a terrorist organisation.

In May 2019 the US began to unwind sanctions waivers for co-operative nuclear activities that were part of the JCPOA, such as the transfer of enriched uranium out of Iran.²

2. Obstacles to reviving the deal

2.1 US

One White House official said in November 2020 that the outgoing Administration's aim was to [set so many fires](#) that it will be hard for the Biden Administration to put them all out. Trump is reported to have given his team the green light for any aggressive policies against Iran. The outgoing Administration believes the US should not to re-join the JCPOA; some of the actions they have taken recently may make that more difficult.

Having abandoned the JCPOA, the US strategy was to apply 'maximum pressure' against Iran, arguing that that would persuade Iran to return to the negotiating table and agree

¹ For more on the JCPOA see the Commons Briefing Paper the [Joint Common Plan of Action nuclear deal with Iran](#), October 2015

² [The Joint Comprehensive Plan of Action \(JCPOA\) at a Glance](#), Arms Control Association, October 2020

more concessions on the nuclear programme, and to limit Iran's 'destabilising actions' in the region.

- As well as re-imposing all US sanctions lifted by the deal and refusing to extend waivers on sanctions on nuclear co-operation activities set up in the deal, the Administration has imposed fresh sanctions.
- In January 2020 the US claimed responsibility for the [assassination in Iraq of Iranian Major General Qasem Soleimani](#), leader of the Islamic Revolutionary Guard Corps' overseas Quds Force.³
- In July 2020 [fire broke out at the Natanz](#) nuclear plant in Iran. Several explosions and fires had been reported at nuclear sites. Some Iranian officials blamed the incidents on cyber sabotage.
- In August 2020 a US attempt on the Security Council to [extend a UN conventional arms embargo](#) on Iran was unsuccessful. The US then imposed a unilateral extraterritorial conventional arms embargo on Iran.
- [On 9 October](#) the Administration imposed new sanctions on 18 "major" Iranian banks and non-Iranian companies that trade with them.

Killing of Fakhrizadeh

On 30 November 2020 [reports emerged](#) of the assassination of Mahsen Fakhrizadeh, Iran's chief nuclear scientist and architect of the nuclear programme. Iranian sources immediately blamed Israel, although Israel has not claimed responsibility for the assassination.

Houthi designation

US Administration officials had considered designating the Iran-supported Yemeni group, the Houthis, as a foreign terrorist organisation for some time. Officials at the State Department and the USAID development agency reportedly argued the plan could make aid distribution more difficult in Houthi-controlled areas. The Administration nevertheless [confirmed the designation](#) on 10 January 2021, describing the Houthis as "a deadly Iran-backed militia group". Former UK Foreign Secretary David Miliband, now of the International Rescue Committee, called it "[pure diplomatic vandalism](#)".

Al-Qaeda comments

On 12 January 2021 Secretary of State Mike Pompeo said that Iran had become Al-Qaeda's "new home base", citing intelligence sources:

Iran has allowed al-Qaeda to fundraise, to freely communicate with all kinds of members around the world, and to perform many other functions that were previously directed from Afghanistan or Pakistan.⁴

The State Department [announced new sanctions](#) against Al-Qaeda members on the same day.

Experts threw doubt on the claim, saying that Al-Qaeda's biggest bases are probably still in [Afghanistan](#), Pakistan and Syria, although there has been [significant support](#) for Al-Qaeda from Iran.

Military action?

The US has been sending warships to the Gulf; President Trump over-ruled his Defence Secretary's decision to withdraw the aircraft carrier the USS Nimitz, turning it around four

³ For more information see the Commons Briefing Paper [Iraq, Iranian influence and the death of Soleimani](#), January 2020

⁴ ['Pompeo claims Iran has secret ties to al-Qaeda'](#), *Financial Times*, 13 January 2021

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days after it had set out for home. The US has also flown B-52 bombers over the Gulf four times since November, and both [US and Israeli submarines](#) are reported to have entered the Gulf.

These actions [raised fears](#) that the departing President intends to take military action against Iran. The refusal to discuss defence with incoming officials did nothing to dispel these concerns. The fact that Congress certified the Biden win on 6 January and Trump's weakening grip on power may have made carrying out such a move more difficult for the President.

2.2 Iranian actions

Like the US, Iranian politics is fractious. 'Conservative' or 'hard-line' forces in Iran, such as those associated with the Revolutionary Guards, are pushing to prevent an easy resumption of the deal. Those forces do not want to abandon nuclear advances without extra concessions from the US.

Presidential elections are planned for June 2021, and a more hard-line candidate is predicted to replace President Rouhani.

In May 2019 Iran began to violate the agreement, and in June 2019 the limit on Iran's [stockpile of enriched uranium was exceeded](#) for the first time.

In [January 2020 Iran declared](#) it would no longer be bound by the JCPOA's "operational limitations", with experts pointing towards the limits on Iran's capacity to enrich uranium set out in the JCPOA.

On 2 December 2020 Iran's parliament and Guardian Council passed [legislation](#) requiring the Iranian Government to speed up its nuclear activities within 60 days if certain sanctions have not been lifted by early February 2021. The law also threatens to stop Iran's compliance with the NPT Additional Protocol to the Non-Proliferation Treaty. That would constrain the work of IAEA monitors in Iran.

Box 1: The Additional Protocol and Iran

Iran was one of the original signatories to the [Nuclear Non-proliferation Treaty](#), which came into force in 1970. In the 1990s the IAEA worked on extra safeguards, partly spurred by the failure to stop the North Korean nuclear weapons programme. Some of these safeguards were contained in an [Additional Protocol](#), launched in 1997, to be signed by NPT member states. Among other things the Additional Protocol provided for closer inspection by the IAEA.

Iran [signed the Additional Protocol but has not so far ratified it](#). Iran had been implementing the Additional Protocol voluntarily, although it has threatened to stop several times. Iran has also threatened to withdraw from the NPT entirely; that idea has become more mainstream in Iran as the 'maximum pressure' US policy has tightened its grip.

Enrichment

In November 2020 the IAEA said Iran's stockpile of low-enriched uranium had reached 2,442.9kg, about 12 times the limit set out in the JCPOA.

Analysts argue that the breaches were [chosen to be reversible](#) and not to preclude a Biden Administration from re-joining the JCPOA. In September 2020 Iran had abandoned its plan to increase enrichment infrastructure, for example, and had slowed its production of enriched uranium.

In January 2021, Iran restarted uranium enrichment to 20%, in another breach of the JCPOA, which allowed enrichment only up to 3.67% - a level consistent with nuclear power generation. The European Council condemned the Iranian move:

The initiation of uranium enrichment to up to 20% by Iran at the underground Fordow Fuel Enrichment Plant, which was confirmed by the IAEA on 4 January, is a very serious development and a matter of deep concern.⁵

Box 2: Uranium enrichment

Uranium naturally contains 0.7% of the isotope U-235 and 99.3% of U-238. Most nuclear reactors work by splitting the U-235 isotope, which is unstable, or fissile, but for a reaction to take place, the uranium needs to have a higher concentration of the U-235 isotope than occurs naturally. To increase the concentration of U-235, the uranium is 'enriched'.

In order to be enriched, the uranium oxide from the mine must first be converted into a fluoride that forms a gas at relatively low temperature and is then processed in centrifuges until the concentration of U-235 is between 3% and 5%.

If the centrifuging of the uranium hexafluoride gas continues, it gets further enriched. At 20% it can be used in research reactors. Further enrichment to 85% or 90% produces weapons grade uranium. The enrichment process to get from 0.7% to 20% takes much more effort than the process to get from 20% to 90%.

Based on: [Uranium enrichment](#), World Nuclear Association

South Korean tanker

Also at the beginning of January, the IRGC took control of a South Korean tanker in the Persian Gulf. The Iranian authorities said it was due to environmental violations, but analysts connected the move with some [\\$7 billion dollars of Iranian money](#) held in South Korean banks that Iran cannot receive because of US banking sanctions. Although the dispute involved Iran and South Korea directly, analysts suggested it could ramp up tensions.

Military exercises

On 5 January [Iran tested hundreds of unmanned aerial vehicles](#), including "suicide drones" that deliver explosives directly against targets. Two days later Iran staged a major naval exercise involving more than 700 boats.

3. Outlook

3.1 JCPOA weaknesses?

The strategy behind the JCPOA was to focus on the nuclear issue only, based on Iranian and international commitments contained in the Nuclear Non-Proliferation Treaty; those involved in designing the process thought that trying to add commitments outside the nuclear field would make an agreement impossible.

Critics say, then, that the JCPOA is too narrow in scope and actively facilitated destabilising Iranian activities in the Middle East. One prominent expert said that the [Islamic Revolutionary Guards Corps and Hezbollah](#) were likely to get most of the extra money available to the Iranian Government from the lifting of sanctions.

⁵ [Iran: Declaration by the High Representative on behalf of the EU on the Joint Comprehensive Plan of Action \(JCPOA\), following latest Iranian activities](#), Council of the EU press release, 11 January 2020

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Another criticism levelled at the deal concerns the sunset clauses. The limits on Iranian enrichment activities would begin to expire after 2025, something the Trump Administration described as “[unacceptable](#)”.

The JCPOA also did not cover conventional weapons, including ballistic missiles. Ballistic missiles are often the vehicle for nuclear warheads and the IAEA has reported that Iran was working on nuclear warhead technology until 2003. Iran now has the “[largest and most diverse missile force in the Middle East](#)”.

Many commentators counter those criticisms of the JCPOA, arguing that [maximum pressure strategy has failed](#) – Iran’s regional activities have not moderated, the ballistic missile programme has continued to grow and Iran has stockpiled enough low-enriched uranium to form the basis for a nuclear warhead. The [House of Commons Foreign Affairs Committee concluded in December](#) that the Trump policy had also pushed Iran towards Russia and China.

3.2 Biden approach

President-elect Biden has argued that returning to the 2015 agreement would immediately improve regional stability. Biden has also proposed follow-on deals to toughen the limits on the nuclear programme and address Iran’s ballistic missile activities and regional policies.

Thomas Wright of the Brookings Institution suggests there is a “[restorationist](#)” [group in the Biden team](#) that largely favours this return to Obama-era policies, including restoring the existing Iran deal, and that intends to continue with “America’s traditional role in the Middle East”.

According to this analysis, there is another group, which wants less Middle East involvement and is “more willing to use leverage against Iran and Gulf Arab states in the hopes of securing an agreement to replace the Iran nuclear deal”.

Until inauguration, Biden and the incoming Administration cannot undertake any diplomatic activity. But transition talks are now underway between Biden nominations and outgoing officials at the Department of Defense; [analysts suggest](#) that military staff are open to dissuasion over taking military action against Iran.

3.3 European position

On 21 December 2020 the EU’s foreign policy chief Josep Borrell chaired a [meeting of the six remaining JCPOA foreign ministers](#): French, German, British, Russian, Chinese and Iranian. The group “acknowledged the prospect of a return of the US to the JCPOA” and offered a joint effort to support that. There was no mention of changing or broadening the agreement.

In evidence to the Foreign Affairs Committee the Foreign, Commonwealth and Development Office said that it supports the JCPOA:

The UK priority remains preventing Iran from acquiring a nuclear weapon. We remain committed to the JCPOA as the best current way of constraining Iran’s nuclear programme. We have worked hard with our partners to preserve it and remain clear that it is in our national security interests.⁶

⁶ [No prosperity without justice: The UK's relationship with Iran](#). Foreign Affairs Committee inquiry, [Written Evidence Submitted by the Foreign and Commonwealth Office \(UKI0033\)](#).

The Government went on to outline its concern at Iranian regional policy and its development of ballistic missiles, but did not suggest adding these issues to the JCPOA negotiations.

The International Crisis Group came to a similar position in a [statement in December](#), arguing that any attempt by either side to demand more than the existing deal would hinder any progress. The think tank said that even then the process would be difficult:

Even in the best-case scenario, of course, obstacles will abound: the U.S. and Iran will still need to agree, inter alia, on sequencing of mutual steps; on which U.S. sanctions are to be lifted; and on whether, when and over what to initiate the subsequent talks.

4. Further reading

[Nuclear weapons – at a glance](#), House of Commons Library, 18 December 2020

[Biden and the UK](#), House of Commons Library, 15 December 2020

[No prosperity without justice: The UK's relationship with Iran](#). Foreign Affairs Committee fifth report of 2019–21, HC 415, 16 December 2020.

[The Joint Comprehensive Plan of Action nuclear deal with Iran](#), House of Commons Library, October 2015

Thomas Wright, [The fraught politics facing Biden's foreign policy](#), Brookings Institution, 22 November 2020

[The Iran nuclear deal at 5: a revival?](#), International Crisis Group, 15 January 2020

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