



## The Deal with Iran

Standard Note: SNIA/6780

Last updated: 13 December 2013

Author: Idir Ouahes and Ben Smith

Section International Affairs and Defence Section

---

On the 24<sup>th</sup> of November, the world woke up to news that a deal had been reached between the Permanent Five plus One (the UK, US, France, China, Russia and Germany) and Iran. A Joint Plan of Action was the outcome of weeks of hard negotiations. The deal was indeed revealed to be the fruit of years of US-Iran secret negotiations alongside a decade of public Iranian diplomacy following the revelation of a wide scale Iranian enrichment programme. This note seeks to outline the terms of the deal and reactions to it, background information for context and give a sense of potential technical and geopolitical outcomes.

- The deal as it stands brings in enhanced monitoring of Iran's nuclear capability and rolls back elements of Iran's enrichment programme resulting in a delaying and close supervision of any possible 'breakout' period in which Iran could race to a bomb. In return Iran gains a partial lifting of international sanctions.
- Debates over the Joint Plan of Action's specifics have stressed the importance of intrusive inspections and fears over hidden elements to the Iranian programme.
- The Joint Action Plan also suggests potential points that would be dealt with in a comprehensive solution which, once fully implemented would see Iran rehabilitated as a normalised signatory of the Non-Proliferation treaty with a civil nuclear programme, though whether enrichment would be included remains a moot point.
- A variety of reactions have been noted from various states and commentators. The majority of reaction has been favourable.
- The deal signals important geopolitical shifts in the region that would benefit Iran and potentially lessen the importance of traditional allies in the Middle East: Israel and Saudi Arabia.

## Contents

<b>1</b>	<b>Introduction</b>	<b>2</b>
<b>2</b>	<b>Nuclear Proliferation</b>	<b>2</b>
2.1	International Law	2
2.2	Iranian activity and diplomacy	3
<b>3</b>	<b>The Joint Plan of Action</b>	<b>4</b>
3.1	What it Does	4
3.2	What it means	6
3.3	Next steps	7
<b>4</b>	<b>Reactions &amp; implications</b>	<b>8</b>
4.1	The P5 +1	8
4.2	Iran	11
4.3	Regional reactions	12
<b>5</b>	<b>Possible geopolitical consequences</b>	<b>14</b>

## 1 Introduction

The Joint Action Plan agreed to on November 23rd between the ‘Permanent Five plus One’ (P5+1) and Iran is not, technically speaking, a ‘deal’, it is an agreement to agree to a deal at a later date.<sup>1</sup> There is a target for arranging a comprehensive solution within a year, though this time-frame is not binding. The measures undertaken will last for six months beginning in January 2014 and can theoretically be renewed, though that depends on political considerations. The agreement is temporary and does not provide any guarantees for the time after the six month period it has secured.

## 2 Nuclear Proliferation

### 2.1 International Law

The Nuclear Non-Proliferation Treaty (NPT) entered into force in 1970 with the intention of establishing ‘three pillars’: non-proliferation, disarmament and peaceful nuclear use. Section 1 of Article 4 of the NPT says:

Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of this Treaty.

Article 2 of the same Treaty says:

Each non-nuclear-weapon State Party to the Treaty undertakes not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive

---

<sup>1</sup> The P5+1, also termed the E3+3, are: China, France, Germany, Russia, the United Kingdom and the United States

devices or of control over such weapons or explosive devices directly, or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices<sup>2</sup>

Neither the treaty nor its 2000 review refer specifically to a right to enrich uranium. The NPT's preamble does, however, include an affirmation that all states parties should be able to pursue peaceful nuclear technology:

Affirming the principle that the benefits of peaceful applications of nuclear technology, including any technological by-products which may be derived by nuclear-weapon States from the development of nuclear explosive devices, should be available for peaceful purposes to all Parties to the Treaty, whether nuclear-weapon or non-nuclear-weapon States.<sup>3</sup>

The by-products could be construed as referring to enriched fuel left over from the process of weapon building. In this sense the preamble includes an implicit reference to enrichment products and, by extension, processes.

## 2.2 Iranian activity and diplomacy

Iran's nuclear programme began in 1967 under the Shah with the US-funded Tehran Research Reactor (TRR) and the establishment of the Atomic Energy Organization of Iran in 1974. Following the 1979 Revolution, the new Islamic Republic paid little attention to nuclear development but kick-started the programme in the late 1980s.<sup>4</sup>

- Recent Iranian-UK diplomacy is dealt with in more depth in a recent Library note.<sup>5</sup> The role of the European powers in encouraging dialogue with Iranian moderates was essentially the 'carrot' to the 'stick' of unwaveringly tough US stance.<sup>6</sup> The 'E3' opened Iran up for dialogue following revelations of an extensive enrichment programme by *Mujahedin e-Khalq* (otherwise known as the PMOI) in 2003.<sup>7</sup> This dialogue succeeded in bringing Iran back within the IAEA inspections regime under the Additional Protocol. That Protocol has been described as:

An effort to transform IAEA inspectors from accountants to detectives... best understood not as a panacea, but as a powerful, albeit limited, tool... It does not eliminate the possibility of secret nuclear weapons development, but it... greatly increases the odds of being caught.<sup>8</sup>

US sanctions began in 1980 following the Iran hostage crisis and gained increasing scope over the 1980s and 1990s. The Clinton Administration tightened bilateral sanctions through Executive Order 12959 and Congress passed the *Iran Sanctions Act 1996* which penalised even non-US firms involved in Iranian oil and gas. Following the election of Mahmud Ahmadinejad and his order to restart the enrichment programme, the US sought to undertake

---

<sup>2</sup> *Ibid.*

<sup>3</sup> United Nations, "Treaty on the Non-Proliferation of Nuclear Weapons (NPT)"

<sup>4</sup> Chris Quillen, "Iranian nuclear weapons policy: Past, present and possible future", *Middle East Review of International Affairs*, 6, 2, June 2002.

<sup>5</sup> "Recent developments in Iran", *Commons Standard Note*, 4 November 2013.

<sup>6</sup> Gawdat Baghat, "Iranian Nuclear Proliferation: The Trans-Atlantic Division", *Seton Hall Journal of Diplomacy and International Relations*, 2004.

<sup>7</sup> The EU had declared this organisation to be a terrorist group in 2002. A [standard note](#) is available for information on this group.

<sup>8</sup> Theodore Hirsch, "The IAEA Additional Protocol. What it is and why it matters.", *The Nonproliferation Review*, Winter 2004.

broader sanctions against the Iranians through the United Nations Security Council. The US increased the pressure with the *Comprehensive Iran Sanctions, Accountability and Divestment Act 2010* and two further acts in 2012 whose effects have been viscerally felt by the Iranian economy and public. The Iranian Central bank reported March-June 2013 exports were at \$16.5 billion which represented a decline of 16.8% from the equivalent period in 2012.<sup>9</sup>

Backed by increasingly vigorous EU action, the sanctions have brought foreign investment in Iranian oil & gas to a near total halt. European and even Russian firms have been increasingly discouraged by complications imposed by sanctions. In 2008 Shell and Spain's Repsol pulled out of one of Iran's biggest gas fields. France's Total followed suit alongside Norway's Statoil. Even the Chinese firms that continue to operate on the Yadavaran and Azadegan oil and oil fields were reported by the Economist Intelligence Unit to have made only modest progress, to Iranian frustration.<sup>10</sup> Sanctions have had a harsh effect not only on the Iranian economy but in those countries observing them. Secretary of State John Kerry recently noted the considerable pain on the United Arab Emirates caused by a huge drop in bilateral trade with neighbouring Iran. The discipline of the sanctions regime is thus a major diplomatic coup in its own right.

The US lead on sanctions has meant that the US were increasingly recognised as the key member of the P5+1 to negotiate with Iran. A important element of the latest negotiations were seemingly undertaken bilaterally. A backchannel between Iran's deputy foreign ministers and the US deputy secretary of State, William Burns, was reportedly established over the past few years.<sup>11</sup> One report suggested that a senior Iranian scientist Mojtaba Atarodi had been freed as part of good will measures leading to the Geneva talks.<sup>12</sup>

On November 27th, two days after the announcement of the Joint Action Plan, the US Justice Department announced a major settlement for corporate misbehaviour abroad with Weatherford International. The Swiss based oil services firm agreed to pay over £150 million on charges brought under the *Foreign Corrupt Practices Act*. Though that Act is unrelated to specific sanctions on Iran, the timing of the settlement sends a message that the Obama administration will not allow the deal with Iran to give firms a false sense of security over their legal responsibilities to follow sanctions. The sanctions regime has largely held together thanks to a tough stance by the Obama administration.<sup>13</sup>

### **3 The Joint Plan of Action**

#### **3.1 What it Does**

The P5+1 Agreement sets out to reach a mutually-agreed long term comprehensive solution. "This... solution would build on these initial measures and result in a final step." A comprehensive solution would allow "Iran to fully enjoy its right to nuclear energy for peaceful purposes under the relevant articles of the NPT in conformity with its obligations therein."<sup>14</sup>

---

<sup>9</sup> "*Iran Sanctions*", Congressional Research Service, October 2013.

<sup>10</sup> "*Oil Sanctions on Iran: Cracking under pressure?*", *Economist Intelligence Unit*, 2012.

<sup>11</sup> "*Exclusive: Burns led secret US back channel to Iran*", 24 November 2013.

<sup>12</sup> "*US freed top Iranian scientist as part of secret talks ahead of Geneva deal*", *Times of Israel*, 29 November 2013

<sup>13</sup> "*Under new law, companies disclosing even tiniest dealings with Iran*", *Washington Post*, 5 December 2013.

<sup>14</sup> "*Joint Plan of Action*", 24 November 2013.

### 3.2 Right to Enrich?

The text of the document carefully treads to say nothing outright on a “right to enrich”. Mention is made of enrichment in a final step solution only to say that it would: “involve a mutually defined enrichment programme with practical limits and transparency measures to ensure the peaceful nature.” Foreign Secretary William Hague has stated in the House of Commons that the agreement does not recognise a right to enrich:

Just to be clear, this is not a recognition of the right to enrich, which we do not believe exists under the non-proliferation treaty. The agreement envisages that if we agree a comprehensive solution, that would enable Iran to enjoy its basic rights of nuclear energy for peaceful purposes, with a mutually defined enrichment programme limited to practical needs.<sup>15</sup>

In return there would be a “comprehensive lifting of all UN Security Council sanctions, as well as multilateral and national sanctions related to Iran's nuclear programme.”

Over the six month period, Iran would undertake several measures.

### 3.3 Stockpiles

- Half of Iran’s 20% enriched stock would be retained as Uranium Hexafluoride (UF<sub>6</sub>) for the production of nuclear fuel for the TRR. The remaining 20% enriched stock would be diluted to no more than 5% levels. There would be an assurance that no reconversion line would be established.<sup>16</sup>
- For the six month period, Iran would be able to keep enriching uranium up to 5% but not any higher.

### 3.4 Active enrichment.

- Though not imposed upon Iran by previous clauses in the agreement, it being clear that stocks enriched to 5% and lower are allowed and with no specific discussion of enrichment up to 5% in the future, Iran seems to have included a confidence-building clause saying it has “decided to convert” UF<sub>6</sub> enriched up to 5% over the course of the six month action plan period to UO<sub>2</sub>, an oxidisation process that removes weapon capacity. This means that Iran has accepted an effective freeze on 5% enrichment during the six months Iran will freeze further advances at Natanz, Fordow or Arak facilities. The agreement’s text says that Iran must ‘announce’ these developments. Iran will not create new locations for enrichment nor construct reprocessing or construction of a facility capable of reprocessing.
- “Iran will continue its safeguarded R&D practices, including its current enrichment R&D practices, which are not designed for accumulation of the enriched uranium.”

### 3.5 Inspections

- The Joint Plan of Action also includes provision by Iran of extensive information on nuclear facilities to the IAEA within 3 months of the beginning of this initial steps period. These include updated Design Information Questionnaire on the Arak heavy water reactor as well as daily IAEA inspector access on top of their current access and

---

<sup>15</sup> [HC Deb 25 Nov 2013, c39](#)

<sup>16</sup> Uranium Hexafluoride is a key compound used for the diffusion process that [allows enrichment](#).

unannounced inspections at Fordow and Natanz plants. The IAEA inspectors would also have access to assembly workshops, storage facilities and mines and mills

### 3.6 Sanctions

In return for these clauses, the P5+1 would:

- Freeze planned reductions of Iran's crude oil sales and enable the repatriation of an agreed, unspecified, amount of revenue held in banks outside of Iran. Foreign Secretary Hague suggested that the figure would be \$7 billion, released on a staggered basis as and when the Iranians held up their promises.<sup>17</sup> Reports emanating from Israel suggest figures more around the \$20 billion ballpark.<sup>18</sup>
- Suspend EU and US sanctions on insurance and transportation services associated with these current crude oil sales.
- Suspend US/EU sanctions on Iranian petrochemical exports, gold and precious metals and US sanctions on Iran's auto industry and the sanctions on associated services for each of these sectors.
- License the supply and installation in Iran of safety related spare parts and inspections for civil aviation and associated services.
- There is a promise of no new nuclear-related UN Security Council sanctions nor new EU nuclear-related sanctions.
- The next provision covering US administration sanctions acknowledges 'the importance of Congress' in the US system. "The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from imposing new nuclear-related sanctions."
- The agreement also establishes a "financial channel to facilitate humanitarian trade for Iran's domestic needs using Iranian oil revenues held abroad. Humanitarian trade would be defined as transactions involving food and agricultural products, medicine, medical devices, and medical expenses incurred abroad." The channel also includes provisions to pay Iran's UN obligations, presumably for funding such bodies as UNESCO, and the direct tuition payments of Iranian students abroad.
- A final clause increases "EU authorisation thresholds for transactions for non-sanctioned trade to an agreed amount".

### 3.7 What it means

The Iran deal as it stands merits analysis of both the surface changes it makes and the underlying possibilities.

- On the surface the deal makes a set of changes that ultimately increase the international community's ability to supervise and contain an Iranian attempt to become an armed nuclear state.<sup>19</sup>

---

<sup>17</sup> "Iran to reap \$7 Billion in sanctions relief under accord", *Bloomberg*, 24 November 2013.

<sup>18</sup> "Israeli Official: US admits Iran will get \$20b from sanctions relief", *Ha'aretz, English Edition*, 11 december 2013.

<sup>19</sup> "Report: Iran needs more nuclear power plants", *Associated Press*, 1 December 2013.

- The deal places a freeze on an Iranian attempts at further enriching uranium above a 5% level. The White House Fact Sheet also claims that the deal rolls back parts of the Iranian nuclear programme.<sup>20</sup> Criticism has been levelled at such claims on the basis that the 20% enriched uranium oxidisation process is reversible. It is, however, undeniable that the deal rolls back the 'breakout' period for Iranian. Estimates vary but nuclear specialist David Albright's testimony to congress outlined a change in the breakout period for producing weapons-grade (80% or higher) uranium from 1 – 1.6 months with 20% enriched centrifuges to 1.9-2.2 months with uranium enriched to 5% and below.<sup>21</sup>
  - The most dangerous criticism is that from a technical standpoint, 3.5-5% enriched uranium can still be used to make a nuclear weapon in a short 'breakout' period. This criticism ignores the importance of IAEA inspections provided for in the deal which former IAEA deputy Mark Hibbs claimed to represent a sea change in Iranian openness.<sup>22</sup>
  - As Foreign Secretary Hague made clear in his statement to the House, the deal also institutes various safety mechanisms to ensure that the Iranians do not circumvent the terms of the agreement. The deal also places limits on specifics such as halting the installation of new centrifuges or replacing old ones with modern versions.<sup>23</sup> A future comprehensive solution will inevitably include complete IAEA oversight on all facets of any Iranian activity.
  - A final fear expressed by some commentators is the potential for hidden nuclear sites. Commentators raised fears over the trustworthiness of the Iranians, given their record of being less than open, and the potential for further sites such as Fordow, hidden deep in the mountains. Two specific sites not mentioned in the agreement are Parchin and Lavizan-Shian. Concerns have been raised about bulldozing activity at these sites, which could be aimed at hiding evidence.<sup>24</sup> As the negotiations were ongoing, the Mujahedin e-Khalq group claimed to reveal another bomb testing site under construction in the mountains.<sup>25</sup>
- Surrounding and underlying the deal is a set of changes of geopolitical importance dealt with in section 5.

### 3.8 Next steps

As pointed out at the beginning of this note, the deal is not fixed but is the first step toward a permanent deal in the near future. The text of the Joint Plan of Action does outline that a final deal would:

- have a specified long term duration;

---

<sup>20</sup> ["Fact Sheet: First Steps Understandings regarding the Islamic Republic of Iran's nuclear program"](#), White House, 23 November 2013.

<sup>21</sup> ["Testimony of David Albright before the Senate Committee on Foreign Relations"](#), United States Senate, 3 October 2013.

<sup>22</sup> ["In one chart, here's the most important part of the Iran deal"](#), *Business Insider*, 24 November 2013.

<sup>23</sup> Iran has developed IR2 and IR3 centrifuges which are more efficient than their standard IR2. ["Iran's new centrifuge: What do we know about it?"](#), Institute for Science and International Security, 13 April 2010.

<sup>24</sup> ["Iran Deal: Was the West Skinned?"](#), Gatestone Institute, 4 December 2013.

<sup>25</sup> ["Iranian dissidents say Tehran has built secret nuclear site"](#), *Washington Times*, 18 November 2013.

- reflect the rights and obligations of NPT & IAEA Safeguard Agreements;
- Comprehensively lift UN Security Council and multilateral and national nuclear-related sanctions. This would include steps on access in areas of trade, technology, finance and energy;
- “Involve a mutually defined enrichment programme with mutually agreed parameters”. This would be subjected to scrutiny on questions of the practical needs of a nuclear programme and there would be limits on both the *scope* and *levels* of enrichment.
- Concerns on the IR40 Arak reactor would need to be “fully resolved”. Critics of the deal have mentioned that though it addresses plutonium enrichment, it fails to shutdown uranium facilities at Fordow and Natanz. However, as the first step established, both these facilities would enrich only up to 5% subject to daily IAEA inspections and controls and any reconversion lines would be disabled.
- Fears of a reconversion line for oxidised 20% uranium would be finally allayed in the comprehensive agreement by a guarantee of no capability of reprocessing uranium.
- “Consistent with the respective roles” of the Iranian President and the Majlis, the Iranians would ratify the IAEA Additional Protocol. Specific enhanced monitoring and transparency measures agreed in the Joint Plan of Action would be fully implemented in the comprehensive deal.
- Iranians would be allowed to participate in international civil nuclear cooperation, with the aim of acquiring modern light water power and research reactors and associated equipment and supply of modern nuclear fuel as well as cooperation on research and development.

If a final agreement were to hold and be successfully implemented for the length of the duration specified, the Iranian nuclear programme would be dealt as a civil nuclear programme just like any other among signatories of the NPT.

## 4 Reactions & implications

### 4.1 The P5 +1

- Prime Minister David Cameron’s stated:

We now have an international agreement with Iran that moves it further away from getting a nuclear weapon. This is an important first step, which must now be fully implemented.”<sup>26</sup>

Foreign Secretary William Hague said in his statement that:

This agreement has shown that the combination of pressure expressed through sanctions coupled with a readiness to negotiate is the right policy. For a long time, that has been the united approach of this country, from the efforts of the right hon. Member for Blackburn (Mr Straw) to pursue negotiations a decade ago to the cross-party support in this House for the wide-ranging sanctions that we have adopted in recent years.”<sup>27</sup>

---

<sup>26</sup> “Prime Minister’s statement on Iran”, Prime Minister’s Office 24 November 2013.

<sup>27</sup> HC debate 25 November 2013 col 23.

Shadow Foreign Secretary Douglas Alexander accepted that the UK had cross-party agreement on using the diplomatic track and praised the deal on three grounds:

This is not a perfect deal, nor is it guaranteed to lead to a comprehensive resolution, but, based on the Foreign Secretary's statement, it appears to address a number of central concerns. First, it caps every aspect of Iran's nuclear programme. Secondly, it includes strong verification mechanisms and measures. Thirdly, its text does not concede that Iran has an inalienable right to enrich.<sup>28</sup>

The UK, which experienced difficult relations with Iran in the aftermath of the 2009 Iranian elections and the attack on the British embassy in Tehran, is seeing a renewal of bilateral ties. Ajay Sharma has been appointed non-resident *Chargée-d'Affaires* for Iran.<sup>29</sup>

- United States President Barack Obama defended the deal saying this was an important first step toward a comprehensive solution:

For the first time in nearly a decade, we have halted the progress of the Iranian nuclear programme, and key parts of the programme will be rolled back... new inspections will provide extensive access to Iran's nuclear facilities and allow the international community to verify whether Iran is keeping its commitments... As President and Commander-in-Chief, I will do what is necessary to prevent Iran from obtaining a nuclear weapon. But I have a profound responsibility to try to resolve our differences peacefully.<sup>30</sup>

Speaking more informally at the Saban Forum, Obama added:

My goal as President of the United States ... is to prevent Iran from getting a nuclear weapon... There are times where I, as President of the United States, am going to have different tactical perspectives than the Prime Minister of Israel — and that is understandable, because Israel cannot contract out its security... But ultimately, it is my view, from a tactical perspective, that we have to test out this proposition. It will make us stronger internationally... We're going to be able to make an assessment, because this will be subject to the P5+1 and the international community looking at the details of every aspect of a potential final deal, and we're consulting with all our friends, including Israel, in terms of what would that end state look like.<sup>31</sup>

Former vice-president Dick Cheney emphasised that he doesn't believe President Obama thinks the US is an "exceptional nation" adding that:

The bottom line is nobody cares much in the Middle East what the U.S. thinks because we don't keep our commitments.<sup>32</sup>

However there remains a deal of support for the administration. Speaking to Chatham House's magazine, respected strategist Zbigniew Brezsinski called the deal an "Iranian-American negotiation" and added that:

If one looks at the longer range calmly, it's simply incomprehensible to me that someone might prefer to have no agreements in the area... Israelis are on the whole a very intelligent and alert people and if they begin to assess the situation, in part at

---

<sup>28</sup> *Ibid.* col 26.

<sup>29</sup> "New UK envoy Ajay Sharma to make Iran visit", *BBC News Online*, 2 December 2013.

<sup>30</sup> "Statement by the President on First Step Agreement on Iran's Nuclear Program", White House, 23 November 2013.

<sup>31</sup> "Full text of President Obama's remarks to the Saban Forum", *Times of Israel*, 8 December 2013.

<sup>32</sup> "Cheney: Obama doesn't believe in American exceptionalism", *The Hill*, 9 December 2013.

least, from the American vantage point, they ought to conclude that a healthy American-Israel relationship cannot be based simply on a one-sided acceptance of the most ambitious territorial or national objectives of Israel as defined by its Prime Minister.<sup>33</sup>

Members of both Houses of Congress maintained the American tradition of a vocal legislature even on foreign policy matters:

- Speaker of the House of Representatives John Boehner (Rep.) shared the administration's goal to reach a final deal that "affirms Iran does not have the right to enrich and permanently and irreversibly dismantles the infrastructure or its uranium or plutonium nuclear programmes" but warned that the deal was potentially a "remarkably clever Iranian move to dismantle the international sanctions regime while maintaining its infrastructure."<sup>34</sup>
- House of Representatives minority leader Nancy Pelosi (Dem.) praised the deal and noted that it was the tough sanctions regime had brought Iran to the negotiation table.<sup>35</sup>
- House of Representatives majority leader Eric Cantor (Rep.) stated he was troubled with continuing enrichment and suggested that "distrust but verify" be the deal's guiding principle.<sup>36</sup>
- Senators Robert Menendez (Rep.) and Mark Kirk (Dem.) were reported to be pushing for further sanctions on Iran though other reports at the time of writing indicate that the senior democrats in control of the congressional timetable will attempt to delay any proposed bill. Democrat Senator Charles 'Chuck' Schumer was reportedly leading efforts against the deal. Secretary of State John Kerry met senators to make the case for allowing the expiry of the six month period.<sup>37</sup>

Members of Congress' adversarial stance toward the Obama administration may be reflecting public opinion. A recent Pew/USA today poll found Americans against the deal in the majority.<sup>38</sup> However, a Reuters-Ipsos poll taken just after the deal, found a majority approving the deal.<sup>39</sup> Another poll by Hart Research Associates shows varying levels of support for the deal correlated to the level of information available to citizens.<sup>40</sup>

- The French statement hinted at the content of the terms which foreign minister Laurent Fabius had bought forth in a last-gasp intervention in the first round of the November talks:

The accord respects the demands made by France concerning stockpiling and enrichment of uranium and a freeze on new installations and on international verification. It constitutes a step toward the halting of the Iranian military nuclear programme and thus toward the normalisation of our relations with Iran.<sup>41</sup>

- Germany's foreign minister Guido Westerwelle stated:

---

<sup>33</sup> "Zbigniew Brezezinski on how to avoid a new Middle East explosion", *The World Today*, December 2013

<sup>34</sup> John Boehner, "Statement on Obama administration deal with Iran" 24 November 2013.

<sup>35</sup> "Congress Members react to the Iran nuclear deal", *Washington Post*, 24 November 2013.

<sup>36</sup> Eric Cantor, "Leader Eric Cantor statement on Iran Agreement", 23 November 2013.

<sup>37</sup> "Kerry to urge Congress to halt sanctions bill, as Iran threatens 'dead' deal", *Fox News*, 20 December 2013.

<sup>38</sup> "Limited Support for Iran Nuclear Agreement", Pew Research, 9 December 2013.

<sup>39</sup> "Americans back Iran deal by 2-to-1 margin: Reuters/Ipsos poll", *Reuters*, 26 November 2013.

<sup>40</sup> "Voters' Responses to the Iran Nuclear Agreement", *Hart Research Associates*, December 2013.

<sup>41</sup> "Accord intérimaire Iran", Élysée, 24 November 2013.

We need to use the upcoming months to build mutual trust. It is vital for the agreements to be implemented in a transparent and verifiable manner and for the negotiations to make swift progress towards a comprehensive solution.<sup>42</sup>

- President of the European Council Hermann Van Rompuy pointed to the deal's implications for future non-proliferation action:

Addressing effectively this question will have significant regional and global effects. It will reduce political tensions, contribute to build trust and support the promotion of non-proliferation of weapons of mass destruction.

- Russian President Vladimir Putin praised the deal as a “balanced list of measures” Putin singled out the manner of the deal being reached as the key element:

The principles of gradual steps and reciprocity that we proposed earlier are reflected fully in the agreement and have obtained support and international recognition. The outcome of the Geneva talks is a victory for all and shows once again that collective efforts in a spirit of mutual respect can produce answers to today's international challenges and threats.<sup>43</sup>

The Russian Government's enthusiasm for the deal was criticised by the liberal opposition paper *Novaya Gazeta* on the basis that aiding Iran to achieve an energy exporter status to Europe and Asia through the end of sanctions ran contrary to Russian dominance over gas exports.<sup>44</sup> However foreign minister Sergey Lavrov's recent declaration that, if a comprehensive solution were to be reached, then the US would have to back down on missile defence in Europe, suggested that Moscow has determined short term geopolitical interest outweigh any potential long term economic drawbacks.<sup>45</sup>

- China's foreign ministry released a statement saying:

The agreement will help maintain the international non-proliferation system, and the peace and stability in the Middle East. It will help various parties carry out normal activities with Iran, and help the Iranian people live a better life... [Foreign Minister] Wang Yi noted that the fact of the negotiations proved that a proper solution could certainly be found no matter how tough an issue is, as long as all parties adhere to dialogue, keep patience, and demonstrate goodwill.<sup>46</sup>

A week after the deal, President Rouhani received Chinese councillor Yang Jiechi who supported Iran's rights to peaceful use of nuclear energy and the two sides exchanged views on regional issues.<sup>47</sup>

## 4.2 Iran

- Iran's President Rouhani, who had run on a platform of easing the sanctions on Iran, addressed on the day after the deal praising the diplomatic developments as a victory for Iran. On the 2nd December however, Iranian Revolutionary Guard Council Commander

---

<sup>42</sup> “Iran: agreement in nuclear talks”, German Federal Foreign Office, 24 November 2013.

<sup>43</sup> “Statement by Vladimir Putin”, Kremlin, 24 November 2013.

<sup>44</sup> “Iranian Nuclear Restraint. In Order To Hold On to Power and Win in Syria the Ayatollahs Have Made Concession”, *Novaya Gazeta*, translated by BBC Monitoring, 27 November 2013.

<sup>45</sup> “Russia's Lavrov: No need for European ABM defence if Iran nuclear problem solved”, *Rossiya 24*, translated by BBC Monitoring, 4 December 2013.

<sup>46</sup> “Wang Yi: First Step toward the settlement of the Iranian nuclear issue”, Chinese Ministry of Foreign Affairs, 24 November 2013.

<sup>47</sup> “Iranian President Hassan Rouhani Meets with Chinese State Councillor Yang Jiechi”, Chinese Ministry of Foreign Affairs, 9 December 2013

Major General Mohammad Ali Jafari reiterated threats to break off the agreement if “any sort of infringement” of Iran’s “incontrovertible nuclear rights” were to be observed. Not all reactions pandered to the hardline position. A senior nuclear negotiator told Mehr News Agency that Tehran’s goal that “the opposing side has not lost anything but we have achieved our goal.”<sup>48</sup>

Soon after the deal, the oil minister Bijan Zanganeh announced that he had been in touch with European, Japanese and US oil majors to discuss the prospect of returning Iran to its previous levels of oil output. Sanctions have brought output down from over 2 million barrels per day to 1.1 million in the 9 months since March 2013<sup>49</sup> The possibility of a long term agreement raises the probably re-emergence of Iran as a major in OPEC producer.

#### 4.3 Regional reactions

- Israeli Prime Minister Benjamin Netanyahu was widely reported calling the deal bad and an “historic mistake” and later vowed Israel would act as a “light unto the nations” in driving out the darkness of a nuclear Iran in a Hanukah speech.<sup>50</sup> Economy minister Naftali Bennett was quoted by the Army Radio as saying that “Israel does not see itself as bound by this bad... agreement.”<sup>51</sup>

Israeli officials have approached the Iran issue as an existential threat and this was confirmed by 77% of the Israeli public in a 2012 poll. The Israeli press offered a mixed analysis that mostly focussed on Prime Minister Netanyahu's approach. The highest profile bad press for Netanyahu came from former, rather unpopular, prime minister Ehud Olmert who suggested that Netanyahu’s style was damaging Israeli-US relations. Former Military intelligence chief Amos Yadlin and other retired intelligence officers also warned of potential damage to the US relationship.

Regardless of these perceptions, several analysts assessed that Israel was likely to receive US defence support in the coming year. Stratfor director George Friedman nevertheless warned that Benjamin Netanyahu’s outrage emanated more from a fear of a diminished role for Israel in the Middle East in the face of an Iranian rapprochement than from the realistic prospect of an existential threat and suggested that Israel was being overtaken by global geopolitical changes that required a balance of power in the Middle East.<sup>52</sup>

Israeli historian Ze’ev Sternhell, writing in the Hebrew version of centre-left daily *Ha’aretz*, pointed out that one outcome from the deal with Iran would be the method of negotiations that might be translated to the Israeli-Palestinian issue:

A concerted effort by the P5+1 powers can bring both sides to the table and force them to start talking seriously... Activities such as halting construction in the settlements, labelling of produce originating in the occupied territories and serious negotiations on the borders of the future Palestinian state are accepted by a vast majority of citizens of Western countries.<sup>53</sup>

---

<sup>48</sup> “Abbas Eraghchi press conference.” *Mehr News*, translated by Irantracker, 2 December 2013.

<sup>49</sup> “Iran opens contacts with oil groups” , *Financial Times*, 26 November 2013.

<sup>50</sup> “Netanyahu vows to banish ‘darkness’ of Iran nuclear program”, *Times Of Israel*, 28 November 2013.

<sup>51</sup> “Israeli ministers rush to condemn Iran nuclear deal”, *Guardian*, 24 November 2013

<sup>52</sup> George Friedman, “Israel's new strategic position”, *Geopolitical Weekly*, 3 December 2013.

<sup>53</sup> Ze’ev Sternhell, *Ha’aretz*, Hebrew Edition, translated by BBC Monitoring, 29 Nov 13

Other analysts argued the precise opposite, saying that the Netanyahu government would use the Iran deal as leverage for Israeli policy in the Palestinian Territories. Recent news of changes to the negotiations conducted by John Kerry and the Palestinian and Israelis seem to confirm this.<sup>54</sup>

- India gave a measured welcome to the deal. Days after the deal, India's Oil Secretary, Vivek Rae arranged a delegation charged with restoring Indian importation of Iranian oil back to the 150 million barrels per year figure of a year prior to the imposition of greater (2012) sanctions. Indian-Iranian energy trade will be a major beneficiary of the freeze on sanctions.<sup>55</sup>
- Pakistan welcomed a deal which "should augur well for peace and security in our region".<sup>56</sup> Pakistan and Iran decided to fast-track the implementation of the Iran-Pakistan gas pipeline project a week later.<sup>57</sup>
- Turkey's official reaction praised the deal and referred to Turkey's own initiative which had sought to collaborate with Brazil in a nuclear fuel swap deal.<sup>58</sup> Iranian relations with Turkey have soured over Syria. Turkey is likely to see its marginalisation from this deal as cause for concern from the point of view of national prestige with the international community, as a recent article in Turkish daily *Hurriyet* noted.<sup>59</sup> Relations with Iran are unlikely to be radically changed however, given an increasing bilateral trade value, which stood at \$15 billion in 2012 (most of which is importation of Iranian gas).<sup>60</sup>
- Saudi Arabia expressed mild official welcome for the interim agreement. Unofficially, Saudi diplomatic sources were quoted in London based pan-Arab newspaper *Al Quds al Arabi* as saying that Saudi Arabia that the agreement could eventually translate into a deal to resolve the Syrian crisis that would allow the survival of President Bashar al-Assad.<sup>61</sup> Saudi Arabia is more concerned by the potential loss in its strategic importance to the United States and weight in the region than any existential threat. Any accord leading to a comprehensive solution would embolden Iran in its emergence as a regional power and among proxies in Lebanon, Iraq, Syria and the Arab Gulf.
- The smaller Arab Gulf nations gave mild praise for the deal. It is clear that Iran is making a concerted effort to engage small neighbours. Fresh off the negotiating table at Geneva, Iranian Foreign Minister Muhammad Javad Zarif met key figures from the Gulf countries in Kuwait to discuss regional cooperation. The Iranians were rumoured to be close to reaching a deal with the United Arab Emirates to return the three islands in the strategic

---

<sup>54</sup> "Palestinians say Kerry appeasing Israel over Iran at their expense", *Reuters*, 9 December 2013.

<sup>55</sup> "Delegation to visit Iran to discuss oil payment mechanism: Vivek Rae", *The Economic Times*, 27 November 2013.

<sup>56</sup> "Pakistan welcomes the understanding on Iran nuclear issue", Pakistan Ministry of Foreign Affairs, (24<sup>th</sup> November 2013),

<sup>57</sup> "Pakistan and Iran to move forward on IP Gas project", Pakistan Ministry of Foreign Affairs, 10<sup>th</sup> December 2013,

<sup>58</sup> *Iran's nuclear programme, and sanctions*, House of Commons Library Standard Note, 13 October 2013.

<sup>59</sup> "From Tehran Declaration to Geneva", *Hurriyet Daily News*,

<sup>60</sup> Hanna Ojanen & Barbara Zanchetta, "Turkey and the Iranian Nuclear programme", Finnish Institute of International Affairs Briefing Paper, 31 May 2012.

<sup>61</sup> "Riyadh Welcomes the Iranian Nuclear Agreement With Reservation", *Al Quds Al Arabi*, translated by BBC Monitoring, 26 November 2013.

Straits of Hormuz that had been seized by the Shah of Iran.<sup>62</sup> Saudi officials will be deeply troubled by this possible Iranian presence, one that is public and legal, in the Gulf.<sup>63</sup>

- Syrian President al-Assad praised the deal as an achievement enshrining the right of developing countries in acquiring peaceful nuclear energy, adding that the achievement bolsters Iran's regional and international position.<sup>64</sup>

## 5 Possible geopolitical consequences

The deal, if it holds and becomes a comprehensive solution to the Iranian nuclear weapons issue, has a set of potential geopolitical implications:

- At the most basic level a comprehensive deal reintegrates Iran within the community of nations. This reintegration is already implied by the very existence of direct backchannel negotiations between the US and Iran. At a technical level, the deal would allow Iran to become a normalised signatory of the NPT. The French president's statement outright referred to a normalisation of relations with Iran.
- Looking further ahead; Iran's geopolitical situation, in light of any such reintegration and given its economic and demographic weight (Iran's economy, second only to Turkey in the region, is larger than that of Egypt, Iraq, Tunisia, Libya, Jordan and Yemen combined), is bound to make it a significant regional player in the region.<sup>65</sup> Were a comprehensive solution to be found it would have significant long-term consequences.
  - The deal puts to paper a longer term trend toward the emergence of multiple power centres in the four corners of the Middle East, Turkey, Saudi Arabia, Iran and Israel, and the eclipsing of Egypt and the "Fertile Crescent's" political importance following the Arab Spring.
  - Iran's geographic situation make it a natural bridge from the Middle East to Asia. The Straits of Hormuz give it a tremendous trade importance, allow it to influence the Arab Emirates. Both the E3 and Iran have previously proposed security cooperation as a part of past attempts at nuclear deals.<sup>66</sup>
  - Iran's internal stability, shown in its harsh reaction to 2009 protests and likely to increase following an easing of sanctions, stand in contrast to internal dynamics in the Gulf. Shia Iran has strong demographic ties to Lebanon, Iraq, Syria and the Gulf- particularly in Bahrain and oil rich south eastern Saudi Arabia.
  - From the American perspective the deal represents an element of the wider American "pivot to Asia". President Obama has made clear that US support for Israel is sacrosanct, but also mentioned Israel as one among other friends in the region. It is highly unlikely that Tehran will be considered a friend any time soon in Washington. But if Iran is allowed the freedom to exercise its influence in the region, it is likely that it will be treated cordially. Given Iran's

---

<sup>62</sup> "Iran, UAE close to deal on Hormuz Islands", *DefenceNews*, 9 December 2013.

<sup>63</sup> "What's behind Saudi Arabia's Nuclear Anxiety?", *CERI Strategy Papers*, 17 December 2013.

<sup>64</sup> "Syria's Al-Assad congratulates Iran's Rouhani on Geneva agreement", *SANA news agency*, 27 November 2013,

<sup>65</sup> "Iran Nuclear deal: The mystery solved", *American Enterprise Institute*, 26 November 2013.

<sup>66</sup> "History of official proposals on the Iranian Nuclear Issue", *Arms Control Association*, November 2013.

proven success in influencing the region as an outsider, containing a reintegrated Iran would not be an easy task.

- The deal could be construed as the beginnings of a framework for dealing with infractions of the international order. The active work currently being done by the Organisation for the Prohibition of Chemical Weapons in Syria attests to a wider trend.
  - The successful application of sanctions to encourage a non-military solution was noted by many as being a defining feature of this deal. Critics of the deal were unhappy that the Iranians were not “kept on the ropes” with sanctions in order to gain a full halt to its nuclear programme. Others countered that it was unrealistic to demand that Iran halt all nuclear activity. Ultimately there are strategic gains for the international community in the longer term, and at a wider scale than the Middle East region, if a mechanism for halting military nuclear proliferation can be set up.
  - On the specific nuclear issue however, critics of this deal argue that any comprehensive solution that allows Iran to continue enriching uranium, even under IAEA monitoring as set out in the final section of the Joint Plan of Action, would effectively establish enrichment as a part of the civil nuclear activities. The Joint Plan of Action’s final words, stating that were a final agreement (which allows low-level enrichment) to successfully be completed Iran would be treated as any other NPT signatory, points further to an implied incorporation of enrichment as part of what are civil nuclear rights in article IV of the NPT.
- Taken as a whole, these geopolitical factors mean that this deal is not a zero-sum game for the parties involved. Both the P5+1 and Iran stand to gain something.
  - The deal gives the Iranian regime a way of gaining normalised relations and increasing their country’s influence at the cost of control over its nuclear programme. The Ayatollahs enthusiasm for a nuclear programme in the 1980s was primarily defensive, motivated by the experience of the Iran-Iraq war.<sup>67</sup> Yet such geopolitical analysis cannot be dealt with as an assurance of security for the Israelis or Saudis, especially in the light of Iran’s continued hostility.
  - The international community gain from stabilised relations with Iran by virtue of controlling Iran’s nuclear capabilities and established a precedent for placing controls on proliferation and an aggressive IAEA role.<sup>68</sup> Such controls would close any potential loophole in the NPT and allow any state seeking to enrich to be placed under supervision.
  - Key US allies in the region, Saudi Arabia and Israel, lose influence with the US. At a technical level, Israel and Saudi Arabia seem to gain from the reduction and monitoring of the Iranian nuclear potential and the setting up of a non-proliferation mechanism allowing Israel to maintain its purportedly exceptional nuclear-armed status in the region. However, psychologically and strategically, this represents a loss for both countries.

---

<sup>67</sup> Stephen Jones *et al.*, [The Islamic Republic of Iran: An Introduction](#), Commons Library Research Paper, 11 December 2009.

<sup>68</sup> Mark Gibbs, [“The IAEA after the Iran Deal”](#), 3 December 2013.