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THE RETURN OF JCPOA: CHALLENGES AND PROSPECTS

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In mid-2015, Iran came to a historic agreement with the United States, United Kingdom, France, Russia, China, and Germany (P5+1) that sought sanctions relief in return for a significant reduction¹ in Iran's nuclear capabilities. The multilateral agreement was a product of years-long deliberations among Iran and the world's six major powers. Iran's nuclear ambitions have been on the rise since the early 1970s when Shah Reza Pahlavi established the Atomic Energy Organization of Iran (AEOI) and aimed to generate about 23,000 MW of energy over 20 years through the construction of 23 nuclear power plants and the development of a 'full' nuclear fuel-cycle. Although the events of the next decade thwarted any major progress in the programs, it was by the end of the Iran-Iraq war that Tehran was determined on accelerating the progress of its nuclear program, using support from regional actors such as the People's Republic of China and Russia. Several reports have cited deals made by Iran with state and non-state subsidiaries in both China and Russia² during the 80s and 90s to gain access to nuclear technology, expertise, and investments (Cordesman 2000).

Despite attempts by the US to counter any such cooperation through sanctions, Iran was able to complete much of the final phases of construction of its Bushehr nuclear plant only with Russian support. Similarly, Beijing is credited with the transfer of nuclear research technology as well as Laser Isotope Separation (LIS) technology to the Iranian facility in Isfahan. However, it was in 2003 that the global attention was back on Tehran's long-running nuclear program after an Iranian dissident militia, Mujahideen-e-Khalq (MeK) declared with certainty that Iran had built nuclear facilities in Natanz and Arak. Soon, the International Atomic Energy Agency (IAEA) along with the UK, France, and Germany (EU-3) began negotiations aimed at suspending any progress towards weapons-grade enrichments. In the same year, Tehran signed the Additional Protocol³ to avoid a UNSC intervention. The following decade also witnessed diplomatic progress being achieved and then being lost, as Iran and the international community failed to negotiate a sustainable solution. The election of a hardliner Iranian President Mahmoud Ahmadinejad in early 2005, coupled with the fixation of US efforts on its 'war on terror' impaired any significant

¹ Abishai, Bernard. 2018. "Why Israeli Nuclear Experts Disagree with Netanyahu over the Nuclear Deal" *The New Yorker*

² On November 20, 1994, Iran announced that Russia had agreed to a \$780 million deal to complete a reactor at Bushehr that German companies had begun during the time of the Shah.

³ Toumaj, Amir. 2016. "IRGC Commander Discusses Afghan Militias, Shia Liberation Army and Syria" *The FDD's Long War Journal*.

progress in diplomatic negotiations. This was worsened by increasing sanctions⁴ from the US, EU, and the Security Council in the next four years. Between the signing of the JCPOA and Obama's ascendancy to power, a series of further precisely targeted sanctions debilitated any entity from either doing any business or buying energy from Tehran, a move that hit Iran's basal economic core.

JCPOA: the entailing promises

Although President Obama's pivot towards Iran from his first term is often labelled as a pre-meditated strategic shift in the Middle East policy, the multilateral negotiations for a nuclear deal were preceded by aggressive posturing aimed at containment. As Wendy Sherman, one of Obama's chief negotiators for the JCPOA points out, apart from levelling targeted sanctions at Iran's core arms of the economy, a 30,000-pound bomb was commissioned, that could penetrate Iran's underground enrichment facility at Fordow⁵. The computer virus Stuxnet, which disrupted Iran's Atomic Energy Organization network and debilitated its uranium-producing centrifuges, showed the lengths the US was willing to go. As Sherman notes, these moves were targeted at pressuring Tehran back to the negotiating table.

By the year 2006, Iran appeared to be operating a uranium enrichment program with a cascade of 164 centrifuges at its Natanz facility. Prospective multilateral talks only began in 2013. By the time, harsh sanctions against Iran had been in place for years. Despite those restrictions, Iran had managed to construct over 19,000 operating centrifuges by 2013⁶. This showed the primacy of the nuclear program in Iranian politics that had progressed without much political opposition despite an economy that was only going from bad to worse.

The JCPOA of 2015

⁴ Sen, Ashish. 2018. "A Brief History of Sanctions on Iran." *Atlantic Council*.

⁵ Sherman, Wendy. 2018. "How We Actually Got the Iran Nuclear Deal." *Foreign Affairs Magazine*.

⁶ Phil, Alex. 2017. "Can a Withdrawal Ever Stall the Nuclear Program." *New York Times*.

The central thought behind US's rapprochement with Tehran after more than a quarter of a century is well captured by Obama's statement during an interview preceding the P5+1 talks - "We will extend a hand if you are willing to unclench your fist" - words that called the theocrats towards a serious consideration. The final deal signed in Vienna in July 2015 was welcomed by the international community as a comprehensive deterrent to Iran's nuclear program while allowing Tehran to portray itself as a technologically advanced, peace-loving nation with nuclear ambitions restricted to civil cooperation. At its core, the deal was a multilateral agreement with all signatories making determined efforts and compromises to protect some elements of their economic or security interests. While making the process tenuous at best, this multilateralism was crucial to Iran considering its sheer lack of trust in Washington. Among the long list of commitments made in the deal, the key gain for Tehran was relief from economic sanctions including regained access to over USD 7 billion frozen in foreign banks. Additionally, removing the ban on industries like aircraft parts, automobiles, and petrochemicals would allow some stagnated sectors to take off, bringing growth and employment.

In return, Iran gave in to the P5+1's demands for providing comprehensive measures to ensure transparency and verification. The transparency clauses transcending the domains of procurement, construction, enrichment, technology etc. would be enforced by the International Atomic Energy Association (IAEA). The deal allowed IAEA to indefinitely inspect the declared and undeclared nuclear facilities and curtail any reprocessing of fuel to extract Plutonium. The most debated part of the deal was the 'sunset' clause, which laid out specific timelines for curbing the enrichment activities. The reduction of centrifuges by two-thirds and limitations over uranium enrichment would last for ten years, whereas the reduction of uranium stockpile by 97 percent, prohibiting enrichment beyond 3.67 percent, and cutting plutonium production by 90 percent would all last for fifteen years. Similarly, surveillance of centrifuge production would last for two decades, whereas monitoring of uranium mines and all nuclear-related purchases would last for five additional years⁷.

Additional grievances

⁷ Wright, Robin. 2015. "Tehran's Promise." *The New Yorker*.

Any analysis of the JCPOA that fails to take note of the underlying geopolitical context discounts the role of Iran's main rivals like Saudi Arabia and Israel that have for a long time, shaped the US's Middle East policy. While the P5+1 grouping was assuaged with Iran's commitment to non-proliferation, there was also an underlying expectation that JCPOA would bring a paradigm shift to Iran's foreign policy. Whether or not these expectations prevailed across the Obama administration, the centrality of these concerns in Tel Aviv and Riyadh writ large. Before the deal was signed, then Israeli Prime Minister Benjamin Netanyahu, at the invitation of John Boehner (Republican Speaker of the House) used the floor of the House to not only denounce the deal but also send an aggressive message to the Obama administration. Within less than a year after the deal was signed, Saudi Arabia invited the defence forces of over 20 different gulf countries to achieve the largest ever military exercise in Middle Eastern history. This projection of brute military potential – that came on the backdrop of the capture of Sanaa by the *Houthis* – was as much a signal to the US as it was to Iran⁸. As Obama's tenure came towards an end, there was an increasing realization of the lack of support for JCPOA beyond his administration.

Ample evidence regarding Iran's treatment of JCPOA as a strictly nuclear agreement and not a cue for a policy shift in the region made it easier for the Trump administration to legitimize its withdrawal. Iran's ballistic missile program, its training and funding of militias in Syria, Lebanon, Iraq, and Yemen were all seen as 'unacceptable' and detrimental to the US and its allies. Although the other signatories including the EU, Russia, China didn't particularly pull out of the agreement, the US levelled several additional targeted sanctions that threatened any entity – stoking fear among willing European corporations – from doing business with Iran. While Trump expected this 'maximum pressure' campaign to impair the country's economy and fan public fury against the regime, the Islamic Revolutionary Guard Corps. (IRGC) using their influence in Iran and around the region, continued the sale of oil through the black market⁹.

If the last few years are any lesson, the geopolitical paradigm of the Middle East has changed vastly since the signing of the JCPOA in 2015. Today, Iran finds itself in close tactical and strategic alignment with powers like Russia and China. Israel on the other hand has initiated a major

⁸ Stavridis, James. 2016. "Was the Fake War in the Saudi Desert a Dress Rehearsal for the Syrian War?" *Foreign Policy*.

⁹ Silinsky, Mark. 2018. "Iran's Islamic Revolutionary Guard Corps: Its Foreign Policy and Foreign Legion." *Marine Corps University*

rapprochement with the gulf states, including UAE and Saudi Arabia, indicating the realization of a common threat in Iran's adventures in the region. Today, Israel is also far more willing to stretch its aggressive postures in the region - triggered by the fear of ballistic missiles in both Syria and Lebanon – with a visible withdrawal tendency from the US.

Iran's internal challenges

Tehran, to its credit, was adhering strictly to the provisions laid under the JCPOA. From allowing IAEA to monitor its facilities, implementing the “Roadmap for Clarification of Past and Present Outstanding Issues” to shipping out the spent fuel from nuclear reactors, the agreement was expediting a huge policy shift for Iran. Then-President Hassan Rouhani who had also been an interlocutor for the deal before his presidency was one of the more optimistic voices among the Iranian elites. As one of the leaked clips from the former Foreign Minister Md. Javad Zarif revealed the elected government's power struggle is deep not just with the Guardian Council, but also the IRGC¹⁰. At the confluence of a conflict-ridden region and internal political strife, the IRGC has managed to immensely expand its political and economic clout in the country. Initiatives as delicate as the nuclear and ballistic missiles program and as critical as the aerospace and oil industry are all under the purview of the IRGC¹¹. By consolidating significant power in its hands, the 125,000-strong paramilitary force has acquired a decisive voice in policy matters – with their own corporate identity and interests – concerning security and defence. What was established as a force guarding the “revolutionary ethos” of the nation, overseen by the Supreme Leader has over time, evolved into a parallel and diverse institution with divergent interests¹². Prolonged heavy involvement in the regional proxy warfare has propped up certain military-industrial complexes that may complicate Iran's withdrawal or reduction in military expenditure. Rouhani's popularity was largely dependent on bringing economic prosperity, a triumph that he optimistically gambled upon JCPOA's success. Although the deal was signed and economic sanctions gradually cut down, the other power centres in the regime were perpetually insecure of the US's compliance – especially after Netanyahu's Congress speech and Saudi's military exercises in the following year

¹⁰ Vatanka, Alex. 2021. “Raisi and the Revolutionary Guards.” *The Iran Primer* (United States Institute of Peace).

¹¹ Cohen, Raphael. 2021. “Why Biden Can't Turn the Clock on the Iran Nuclear Deal.” *Rand Corporation*.

¹² Tayekh, Ray. 2020. “Iran's Revolutionary Guards - Background.” *Council on Foreign Relations*.

– citing a historical distrust¹³. By the time the US withdrew from the deal, a reform-oriented camp in Tehran had already been discredited in the IRGC-controlled media for their ‘naivety’ in trusting the US¹⁴. As Trump’s ‘maximum pressure’ campaign took its shape, Rouhani’s approval ratings had taken a nosedive from 81 per cent (after signing of the JCPOA) to merely 19 per cent¹⁵ (after a year from US withdrawal).

Iran’s strategic ambiguity comes with the continued support for militias in Lebanon, Syria, Iraq (and partially the *Houthis*) at a time when US influence, as well as its interest, is waning. At a time when the White House is further reassessing its involvement in the region, Iranian proxies have outplayed their adversaries in gaining political and military influence in the region. This has been accredited to the IRGC which could be expected to gain a larger role in determining Iran’s future tactics in the region. With Rouhani and Zarif out of the picture, the reformists in Tehran would find themselves being side-lined by the confrontational voices from the Guardian Council and the IRGC¹⁶. While the new president Ebrahim Raisi – despite being one of the ultra-conservatives – has signalled support for the nuclear deal, it remains to be seen if their preferred terms would be acceptable to other signatories of the deal.

Three new administrations

The change of governments in Tel Aviv, Washington, and Tehran will fundamentally alter the new negotiations. While Biden may return to the negotiating table, he will face internal pressure from the Republicans – who often endorse regime change over negotiations – as well as a conservative Raisi who can legitimize his lack of trust in the US and ask for favourable terms. Earlier this year, Iran called on Biden to lift the sanctions as a prerequisite for negotiations - a demand the Biden administration rejected¹⁷. With Biden being unable to go back on either the previous terms of the JCPOA or the endorsement of the Abraham Accords, he may have to rely on Obama-style short term tactics that align with US’s long-term policy for the region. However, the most significant change in leadership occurred in Tel Aviv, where the new administration virtually shocked

¹³ Ibid.

¹⁴ Tabaar, Mohammad. 2020. “Iran’s War Within.” *Foreign Affairs*.

¹⁵ Molavi, Afshin. 2019. “Iran and the Gulf States.” *The Iran Primer* (United States Institute for Peace).

¹⁶ Carmi, Omar. 2021. “Raisi’s National Security Team.” *The Iran Primer* (United States Institute for Peace).

¹⁷ Cohen, Raphael. 2021. “Biden Can’t Turn the Clock Back on Iran Deal.” *Rand Corporation*

everyone by publicly claiming support for renewed negotiations¹⁸. This would not only allow Biden to better manoeuvre the negotiations but leave Iran's other main adversary Saudi Arabia virtually on its own. With major changes in the stance of all the three new administrations, there seems to be a realization of reality as compared to the way things should ideally be.

Conclusion

Albeit a multilateral agreement, the success of JCPOA has always rested with Iran's compliance with US' willingness. Going by the willingness of Europe, Russia, and China to accommodate Iran's interests – when it may be on the verge of producing its first nuclear bomb – it may not be a challenge to bring the parties on the table. However, during the negotiations, Iran and the US may both indulge in weakening the other's position, drawing instances from recent and distant history. The US would find it increasingly difficult to draw compromises on either Iran's ballistic missile programs – a contentious issue for the US's regional allies - or its activities in Iraq and Syria. The damage incurred by Tehran at the hands of the US and Israel in the past two years may well act as an internal deterrent to give in to any further demands.

The assassination of the much-revered IRGC commander Qassim Soleimani and the chief nuclear scientist Mohsen Fakhri-zadeh are both seen as a national embarrassment for the regime. As Iran leaves its strategic patience vis-à-vis the US, it may continue its game of chess, building influence across the region. If Biden's view of Iran aligns with Trump's zero-sum approach, a new deal may seem unlikely. The geopolitical realities of the region and the world have altered, providing Iran with much more leverage and opportunities in trade and security cooperation. For Russia and China, Iran is an energy-rich asset with a powerful independent influence in the Middle East. While the leaders in Israel and Iran have clarified their stance on the issue, the ball is now in Biden's court. Although Biden may have to fight a two-front battle both at home and abroad to bring the deal back to life, his willingness (or lack thereof) to compromise and make amends for the lost progress will shape Middle Eastern geopolitics for ages. With the Taliban already ruling next door, providing another Islamic Republic with the opportunity to go nuclear may be a path full of

¹⁸ Zilber, Neri. 2021. "Israel Can Live With a New Iran Nuclear Deal, Defense Minister Says." *Foreign Policy*

friction. But not engaging with it would worsen the threat perception for the neighbouring countries. As the previous negotiations have shown, immediate economic prosperity and the ability to trade with the world is significant for the turmoil in Iran, but it won't definitively give up its nuclear, military, political capabilities. Its willingness to engage and cooperate in regional security matters – as shown during the campaign against Islamic State and Taliban, is modest yet significant. Only if the US is prepared to make peace with the realities of power in the region and accommodate more partners in its approach is a genuine rapprochement possible.

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