

# Iran and P5+1 Geneva Agreement A Game Changer?

The process which began with the Joint Plan of Action at Geneva on November 24 will, if successful, alter the geopolitics of the region for a long time to come, believes **Dr Arun Vishwanathan**, as he provides an objective assessment of the important aspects of the agreement reached between Iran and the P5+1

The interim agreement signed on November 24, 2013 at Geneva by Iran and the P5+1 and its subsequent operationalisation (January 20, 2014) highlights a remarkable shift the situation surrounding Iran has undergone over the past few months. The agreement is being perceived as a major departure in American policy towards Iran and the region in general. However, close observers would be quick in pointing out that such a shift has been some time in the making. The US move to enter into a dialogue with Tehran has largely been the result of a desire to buy more time to address the concerns regarding Iran's nuclear programme through verification and roll back any probable progress Iran has made in building a nuclear weapon.

The deal also underscores the US's endeavour to balance its efforts to push back Tehran's regional rise on one hand, and build bridges of some kind after a hiatus of over three decades on the other. Taking a bird's eye-view of the overall geo-political scenario, the move stems from the growing dissonance between US and its allies (Saudi

Arabia and Israel) on major issues like the Israel-Palestine conflict, Syrian civil war and chemical weapons issue, as well as the handling of the Arab Spring aftermath.

## Background to the Agreement

With passage of time, it is becoming very clear that the Obama administration invested a significant amount of political capital in reaching out to Iran. The American shift towards a policy of engaging Iran seems to have begun with President Rouhani's election in June 2013 and the exchange of letters between President Obama and President Rouhani in August 2013. Somewhere thereafter, a determination seems to have been made in Washington that the Iranians were serious about pursuing diplomatic means to settle the differences over its nuclear programme.

This in turn led to the initiation of direct back-channel negotiations – the first of their kind since the Iranian Revolution of 1979 – between the US and Iran. These negotiations, which were based out of Oman, were led by US Deputy Secretary of State, Robert Burns and Iranian Foreign

Minister, Mohammad Javad Zarif. The tenor of President Rouhani's speech at the UN General Assembly and the 30-minute meeting (Sep 26, 2013) between US Secretary of State John Kerry and Iranian Foreign Minister Zarif, followed by the historic phone conversation between Presidents Obama and Rouhani, helped in signalling each sides' intention to the other.

From the Iranian context, one of the most important enabling factors was the election of Hassan Rouhani as the Iranian President in June 2013. What was also important was a September 2013 statement from the Iranian Supreme Leader Khamenei where he spoke in favour of diplomacy and spoke out against the Sepah's influence in politics.

The statements from the Supreme Leader were important on three counts. First, they could be viewed as attempts on his part to check the Sepah's (IRGC's) growing strength and influence. Second, the timing of the September 2013 statement was most likely an indication of Khamenei's support to the diplomatic route pursued by Rouhani. Third, the statements



could also be seen as reflecting a growing realisation within the Iranian decision making clique that economic sanctions were beginning to hurt the public at large, which in turn could make the future quite unpredictable. Having witnessed the Arab Spring and its aftermath from close quarters, Tehran wanted to avoid any such possibility at any cost.

### Important Aspects of the Geneva Agreement

The initial agreement termed as a Joint Plan of Action (JPA) can be analysed from three aspects; firstly, uranium enrichment; secondly, the Arak heavy water reactor; and finally, the increased access to the IAEA inspectors. The utility of the JPA has been hotly contested and has drawn widely differing assessments. The Israeli Prime Minister Benjamin Netanyahu has termed the deal as a 'historic mistake', while US President Barack Obama has described it as a 'first step' towards addressing concerns surrounding Iran's nuclear programme. The following paragraphs will seek to provide an objective assessment of the important aspects of the agreement reached at Geneva.

### Uranium Enrichment

One of the most important points of concern which the Geneva agreement has sought to address was enrichment of uranium by Iran to higher levels like around 20 percent. This raised hackles within the international community as it was felt that with such a capability Iran could amass fissile material needed to build a nuclear weapon within a shorter period of time.

Over the past decade, this concern resulted in the passage of several UN Security Council (UNSC) resolutions calling on Iran to stop its enrichment activities. Iran, for its part, has argued that such activities are part of its "inalienable rights to develop research, production and use of nuclear energy for peaceful purposes," enshrined in Article IV (para 1) of the Nuclear Proliferation Treaty (NPT).

This problem is partly due to the fact that while the NPT assures all its members of their rights to pursue nuclear energy for peaceful purposes, it does not clearly lay out what such activity entails. Iran thus is right in arguing that its pursuit of enrichment activities falls under the rubric of Article IV.

The November 24 agreement has more or less settled this issue with Iran successfully managing to make the US and the Western powers agree to its right to enrich uranium. The agreement in its Preamble and subsequently, while outlining the elements of a final comprehensive

solution, mentions a "mutually defined enrichment programme with practical limits and transparency measures to ensure the peaceful nature of the programme." Thus, it is clear that the debate about Iran's right to enrich uranium despite Kerry's arguments to the contrary has been settled.

However, where the initial agreement is important is the cap it places on Iran's enrichment capabilities for the six-month period during which time a comprehensive agreement is worked out. In fact, during this period Iran will not enrich uranium to over five percent. Iran currently has a stockpile of about 7154 kg of uranium enriched to five percent. Iran has also committed to not enriching uranium in roughly half of installed centrifuges at Natanz and three-quarters of installed centrifuges at Fordow, including all next generation centrifuges. These commitments will be verified by the IAEA inspectors.

Iran possesses a little less than 200 kg of uranium enriched upto 20 percent. As part of the JPA, Iran has agreed to stop production of below 20 percent enriched uranium. While retaining half of the 20 percent stockpile for fabrication of fuel for the Tehran Research Reactor (TRR), Iran has agreed to begin diluting half of the near 20 percent enriched uranium stockpile that is in hexafluoride form, and continuing to convert the rest to oxide form not suitable for further enrichment. In addition, the JPA has placed restrictions on installation of new centrifuges, replacement of centrifuges which breakdown with centrifuges of the same kind. In order to prevent Iran from amassing a large stockpile of centrifuges during these six months, IAEA inspectors would verify Iranian centrifuge production figures.

Olli Heinonen, former Deputy Director General of safeguards at the IAEA writing for the Bulletin of Atomic Scientists has argued that if Iran uses the existing stock of uranium enriched to five percent as the feed material for producing a nuclear weapon, it would require two months to break-out. This is longer as compared to the two weeks Iran would require to produce weapons-grade fissile material if the feed material is uranium enriched to 20 percent. Increasing the time required for Iran to achieve a break-out capability – and as result the notice available for the international community to take corrective action – is one of the major achievements of the deal.

### Heavy Water Reactor at Arak

Another major point of contention between Iran and the West was the Heavy Water reactor under construction at Arak. Technical estimates indicate

that once operational the reactor would annually produce 5-10 kg Plutonium, which is enough for one nuclear weapon. However, the Arak reactor – which began construction in the 1990s – has been plagued by several technical problems which have delayed its completion. Though Iran has previously announced that the Arak reactor would commence operation in the first quarter of 2014, the IAEA believes that the facility is still some time away from becoming operational.

Israeli leaders have been talking of bombing the reactor as a means to deny Iran the potential to build nuclear weapons. Though this article will not go into the pros and cons of such an endeavour, attacking the reactor would be a problematic proposition once it is operational. Any attack would release some amount of radioactive fallout and would be in violation of existing international law. The Additional Protocol I (Art. 56) & Additional Protocol II (Art. 15) to the Geneva Convention of August 1949 state that nuclear power generating stations shall not be made the object of military attacks. Geneva Conventions and their Additional Protocol form the core of international humanitarian law. Therefore, attacking nuclear reactors which are operational would have serious legal, political and diplomatic consequences, in addition to environmental damage and possible health impact on the civilian population.

### Increased Inspector Access and Monitoring

As part of the interim agreement, Iran has agreed to freeze construction of the Arak reactor. Also, Iran would supply an updated Design Information Questionnaire (DIQ) for the Arak reactor to IAEA inspectors as well as work on agreeing on conclusion of the Safeguards approach for the Arak reactor.

In addition, IAEA inspectors would be given access on a daily basis – when already not present for inspection related work – to Natanz and Fordow enrichment plants. Such access would also include unannounced inspections and access to offline surveillance records. Iran has also agreed to provide the IAEA with managed access to centrifuge assembly workshops, centrifuge rotor production workshops and storage facilities; and, uranium mines and mills.

Such intrusive inspections – which have been described as 'Additional Protocol Plus' – are believed to go a long way in helping IAEA inspectors to alleviate concerns of the international community regarding the true nature of the Iranian nuclear programme.

### Addressing Lacunae in the JPA

One important lacuna in the November 24 agreement as it stands is the lack of any curbs on manufacturing of key reactor components as well as heavy water production in the agreement. Given the fact that the reactor was unlikely to have been completed and achieved operational status in the next six-months, this is an important point. This could in essence allow the Iranians to continue their work on finding answers to the technical challenges to complete the Arak reactor.

Another important point which lacks clarity is how the IAEA would resolve the issue of possible military dimensions (PMD) of Iran's nuclear programme. Though the IAEA has been gathering information on PMD activities since 2005, the November 2011 IAEA report referred to such activities in detail. As Mark Hibbs and Andreas Persbo write in 'Arms Control Wonk', the "lack of clarity about how PMD allegations will be resolved may ultimately reflect a lack of consensus about the IAEA's mandate to pursue allegations of weaponisation activities in non-nuclear-weapons states." However, not much has come in the open about how the IAEA, the P5+1 and Iran plan to tackle this important yet sensitive issue.

### What Has Iran Got in Return?

Iran too has got some concessions in return. These concessions – though not much – are important for strengthening the hand of the moderates led by President Rouhani. Domestically, the Rouhani administration had to show that the change in tack with respect to the nuclear programme had delivered some tangible results.

An important concession granted to Iran is a pause on efforts to further reduce Iran's crude oil exports. As the JPA enters into force on January 20, the European Union (EU) has lifted the sanction against purchase or transport of Iranian petrochemical products and related services. Curbs on transport and insurance have also been lifted. In addition, the JPA also states that there will not be any new US, EU or UNSC sanctions imposed on Iran for the six-month period.

Over the six months, Iran has been provided access to around \$4.2 billion in restricted Iranian funds on a set schedule at regular intervals. In total, the total value of relief in sanctions being provided by P5+1 to Iran amounts to around \$7 billion. However, this figure has to be seen in perspective. Over \$100 billion in Iran foreign currency holdings still remain frozen and are unavailable to Iran.

In addition, the ban on trade in gold and precious metals has also been suspended. The thresholds for authorising financial transfers to and from Iran have been increased tenfold. As a result of the JPA, sanctions on the Iranian auto industry would be removed and Iranian civil aviation aircraft industry would also have access to spare parts.

### The Bottom-line

One of the most important facts that much of the critique of the agreement reached at Geneva seems to overlook is its interim nature. Far from being a final agreement, it provides both parties six-months to reach a final agreement, but also ties down both sides to certain commitments. The JPA outlines that the parties have to agree on a final settlement from one year of January 20, 2014, when the JPA was operationalised. Much of the debate and the criticism seem to overlook this crucial point.

Secondly, with or without this agreement, there is nothing that the international community can do to prevent Iran (if it makes a political determination) from developing a break-out capability and go nuclear. As history has shown, any country which is determined to build nuclear weapons will do so regardless and there is precious little that the international community can do to stop it. North Korea and Pakistan are good examples of this stark reality.

The interim agreement is important because it will increase the time needed for Iran to produce the requisite fissile material to produce a nuclear weapon from about two weeks to two months. This in itself is a big achievement and – in conjunction with the better access for inspectors to Iranian facilities – will provide the international community with the necessary advance information and time to respond to any Iranian change in tack and efforts to put together a weapons-grade fissile material stockpile.

Without this agreement, it was almost certain that Iran would have more incentive

**The interim agreement is important because it will increase the time needed for Iran to produce the requisite fissile material to produce a nuclear weapon from about two weeks to two months**

in developing at least the capability to build nuclear weapons if only to safeguard against a possible regime change or military attack. The agreement, therefore, is important as it strengthens the hand of the moderates as they have something concrete to show as an outcome of their diplomatic pursuits.

It is very early to state whether the effort will, if at all, succeed. The Obama administration stared down the barrel to defuse a strong domestic challenge which nearly derailed the entire agreement by way of demanding imposition of additional sanctions on Iran. Another serious challenge is how both parties manage to work with each other over the next few months despite the text of the interim agreement being open to multiple interpretations. Over the next six months, both sides will also have to manage and counter Riyadh and Tel Aviv's efforts to kill any possible deal as it would in essence herald Iran's return as a possible partner of the Western powers, thereby threatening Saudi and Israeli position in the region. If the melee over inviting Iran to the Geneva II talks on Syria is any indication, Iran and the US are at a very delicate juncture in their relationship. It is very early to foretell the fate of this bold endeavour. However, one is sure that if successful the process which began in Geneva with the November 24 Joint Plan of Action will alter the geo-politics of the region for a long time to come.



*Dr Arun Vishwanathan is Assistant Professor, International Strategic and Security Studies Programme, National Institute of Advanced Studies, Bangalore. He may be reached at arun\_summerhill@yahoo.com and can be followed on Twitter @ArunVish*