

Iran: this interim nuclear deal is far bigger than you think

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The basics:

Over the next six months, Iran has agreed to significantly limit its enrichment of uranium, putting it beyond any possibility of development for military use. It will also suspend work on the Arak heavy-water nuclear reactor and work with the International Atomic Energy Agency on tighter inspections.



In return, the 5+1 Powers (United States, Russia, China, United Kingdom and France, plus Germany) have promised substantial easing of sanctions – much greater than the figure of '\$4.5–8 billion' of unfrozen assets in many media reports – including restrictions that have sharply cut Iran's oil exports. Both sides have committed to seek the completion of a full nuclear deal within a year.

What Iran has agreed:

Iran will suspend its enrichment of uranium to 20% –civilian-grade but capable of development to 90%+ for a military programme –and convert the existing stock to fuel plates or reduce it to 5%.

Iran will suspend development of the Arak heavy-water reactor, which was scheduled to come online in late 2014. To assuage concerns that it would use plutonium by-product from the reactor for a military programme, it has agreed that it will not construct a reprocessing facility.

Iran will provide full information on its nuclear facilities to the International Atomic Energy Agency (IAEA), including details on uranium mines and mills. It has agreed to more extensive inspections, including daily access by IAEA inspectors to the Natanz and Fordow enrichment plants. Iran has accepted that there is no formal recognition of its right to enrich in the preamble of the agreement.

What the 5+1 powers have agreed:

While not giving formal recognition of the right to enrich, the 5+1 Powers have implicitly accepted Iran's enrichment through the details of the agreement. The 5+1 Powers have agreed to unfreeze 'an agreed amount of revenue held abroad' by Iran.

Perhaps more importantly, the 5+1 Powers have agreed to lift significant restrictions on Iran's oil exports, namely 'the EU and US sanctions on associated insurance and transportation services.'

- The 5+1 Powers will remove bans on the transfer of gold and precious metals, imposed by the US in February. That effectively allows Iran's customers to pay for goods – including oil and natural gas – with those resources.
- The 5+1 Powers will lift sanctions on Iran's petrochemical and automobile sectors.
- The 5+1 Powers will remove restrictions on provision of spare parts for civilian aircraft.
- The 5+1 Powers will 'establish a financial channel to facilitate humanitarian trade for Iran's domestic needs using Iranian oil revenues held abroad', including transactions for food and agricultural products, medicine, medical devices and medical expenses incurred abroad.

The final agreement:

Within one year, both sides will implement provisions for an 'enrichment programme with mutually agreed parameters consistent with practical needs, with agreed limits on scope and level of enrichment activities, capacity, where it is carried out, and stocks of enriched uranium.'

Iran will ratify the Additional Protocols to the Non-Proliferation Treaty. In return, all sanctions will be lifted. 'The Iranian nuclear programme will be treated in the same manner as that of any non-nuclear weapon state party to the NPT [Non-Proliferation Treaty].'

Will we get there?

It is more likely that the obstacle to implementation of the interim agreement – and to moves towards a comprehensive deal – will come from the US rather than Iran.

With the exception of a few hard-line newspapers, reaction to the interim deal has been positive, from the Supreme Leader to politicians and clerics to the general public. The announcement has already led to a show of confidence in a recovery for Iran's beleaguered economy and to prospects for Iran's enhanced role in regional affairs, including discussions of the Syrian conflict.

Reactions have been mixed in the US, however, with anti-agreement lobbying groups, media, and 'think-tanks' quickly putting out denunciations. These range from claims that Iran has preserved its ability to move towards a nuclear bomb to declarations of 'appeasement' – a 2013 version of Munich – of the Islamic Republic.

At the moment, the momentum is with the Obama Administration to withstand this pressure, provided Iran follows up the interim deal with arrangements for stricter inspections. However, if the White House buckles by pulling back the easing of sanctions – let alone imposing new ones –then this will jeopardize the Rouhani government's approach of engagement and negotiation.

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