

The background of the entire page features a row of Iranian missiles with white bodies and maroon bands and tips. In the background, the Iranian national flag is visible, showing the green, white, and red horizontal stripes and the red emblem in the center. The text 'KFI' is in a black box at the top left, and '4:1' is in a white box below it. The survey question is in the bottom right, and the institute's name and year are at the very bottom.

KFI

4:1

Do you Expect the Iranian
Nuclear Deal to be
Revived in the Next Year?

KKI 4:1

Series of the Institute for Foreign Affairs and Trade

Publisher:

© Institute for Foreign Affairs and Trade 2022

Editor:

Máté Szalai – Institute for Foreign Affairs and Trade

Authors:

Shirin Afkhami – Freelance journalist

László Csicsmann – Corvinus University of Budapest

Erzsébet N. Rózsa – Institute of World Economics –

Centre for Economic and Regional Studies

Máté Szalai – Corvinus University of Budapest, Institute for Foreign Affairs and Trade

Typesetting:

Lévárt Tamás

Cover photo:

<https://depositphotos.com>

The present analysis and its conclusions reflect the author's opinion and cannot be considered the official position of the Institute for Foreign Affairs and Trade, the Ministry of Foreign Affairs and Trade, or the Government of Hungary.

Publications of the series in English:

2022/12. [Hogyan reagáltak az európai középhatalmak az ukrán konfliktusra?](#)

2022/11. [Black Sea Security: How Have Stakeholders Improved on Maritime Domain Awareness?](#)

2022/10. [What is the Purpose and Benefit of Engaging in the Stabilization of Kosovo?](#)

2022/9. [Milyen hatással volt a Covid-19-járvány az ázsiai nagyhatalmak puha erejére?](#)

2022/8. [Mire lehet számítani adél-koreai külpolitikában az elnökválasztás után?](#)

For more publications, see the [homepage of the Institute](#).

In the 4:1 series of the Institute for Foreign Affairs and Trade, four experts give a short answer to the same question concerning international politics and economics. Our aim is to launch scientific debates in and beyond Hungary and promote dialogue among experts. In this issue our topic is *“Do you expect the Iranian nuclear deal to be revived in the next year?”*

SHIRIN AFKHAMI

On 25 June, EU Foreign Policy Chief Josep Borrell visited Tehran to help break the stalemate facing the 2015 nuclear talks between Iran and the P4+1 countries. In a joint press conference after a meeting with Iran’s Foreign Minister Hossein Amirabdollahian, the diplomats announced that the long-delayed talks would resume soon. After only two days, Iran’s JCPOA negotiator Ali Bagheri Kani was headed to the Qatari capital, Doha, the new host city of these talks, to meet with EU Deputy Foreign Policy Chief Enrique Mora. After two days of inconclusive negotiations, the two sides said they would remain in touch to discuss the next steps.

Before Doha, these talks had been on pause for nearly three months, due to what was described as [external factors](#), including Russia’s demands for the protection of its trade ties with Iran in light of the war in Ukraine.

Now, after Doha, Iran says the ball is in the US court, and Tehran has already put forward its [operational views and proposals](#). Iranian officials have been using various occasions to express the country’s firm willingness to pursue the talks. Amirabdollahian, in conversation with his foreign counterparts and on his social media platforms, continues to emphasize that Tehran is ready for a strong and sustainable agreement, saying that it is the [US that should choose between diplomacy and unilateralism](#). Iran’s UN envoy, Majid Takht-Ravanchi has reiterated similar remarks. He says that Tehran is committed to constructive engagement for a conclusive deal, [but Washington needs to act realistically and show serious intention to implement its obligations](#). President Raeisi also describes the recent attempts by the US and three European countries to propose a resolution against Iran in the IAEA’s board of governors as a [violation of the spirit of the negotiations](#).

At the same time, the narratives from the US and EU side contradict what Tehran is saying. According to Washington, the talks have been going backward and are currently left at a [stagnant point](#). US Special Envoy for Iran Robert Malley says the Islamic Republic has raised demands [unrelated to the JCPOA discussions](#), while Enrique Mora says that the [progress that had been expected](#) has not been made.

With this seemingly unabated blame game, it is very difficult to come up with any speculations about the fate of the nuclear deal. The US media is now reporting that the talks are likely to resume after US President Joe Biden’s visit to Israel and Saudi Arabia. Tel-Aviv will undoubtedly continue to press the signatories for



a tougher stance against Iran. However, the situation with Saudi Arabia might turn out differently. Iraq's Prime Minister Mustafa Al-Kadhimi, during his visit to Tehran in late June, said he was carrying a [message from Riyadh to Tehran](#) to upgrade the level of negotiations between the two neighbours. Iranian officials are expressing interest in taking that step. With that, and with China's expression of support for the [immediate conclusion](#) of the nuclear deal, Biden's first Middle East trip in mid-July could be a determining factor.

Iran's main demand is a guarantee from the US that no further sanctions will be imposed once the sanctions against Tehran are removed. Washington is not giving that guarantee, and that is the main source of the JCPOA's current impasse. Some say the main solution would be for Tehran to backtrack on this request. However, with Washington's constant criticism of what it calls Iran's destabilizing regional role, what measure would any US administration take except for sanctions, when in the words of Robert Malley "[a diplomatic solution is the only possible solution](#)". That is what creates the paradox here, and Tehran knows that. If the US had not unilaterally withdrawn from this deal back in 2018, under the administration of President Donald Trump, the situation would be different, and more doors could have been opened.

But for now, one must wait and see whether it is Tehran or Washington that shows the slightest possible flexibility, and how the EU and the regional developments in the Middle East will contribute to that.

LÁSZLÓ CSICSMANN

Due to the mounting international pressure on Iran after its decision to [switch off 27 surveillance cameras](#) at certain nuclear sites, the international community is pessimistic about reaching a renewed nuclear deal quickly. At the time of writing, the [ongoing proximity talks](#) between the United States and Iran in Doha under the auspices of the European Union are raising expectations of reaching an agreement. This short analysis focuses on the nuclear talks mainly from the Iranian perspective. The Raisi administration, which was introduced after the 2021 Iranian presidential elections, faces many [challenges](#). Among these, the socio-economic issues put pressure from the level of the society to lift sanctions. In the year 2021, the Iranian economy [increased](#) by 3.4%, after two years of more than 6% shrinkage. GDP growth is [estimated](#) at 4.1% for 2021 and 3.7% for 2022. Despite the "resistance economy" enforced by the Supreme Leader, Iran's society has been facing grievances related to inflation (which stood at 40.1% in the year 2021), environmental difficulties (in the form of drought), unemployment, as well as the general consequences of the multilateral sanctions. The Iranian economy is in dire need of structural reforms even if oil exports return. At the time of writing, despite the Trump administration's "maximum pressure" policy aimed at reducing Iran's oil export to zero, [Iran is still selling oil to China](#) through

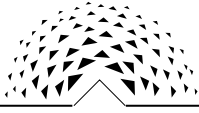
middlemen. Most of the structural problems of the economy are not related to sanctions, although those have further aggravated the situation. Regarding the necessary transformation of the economy, the role of the religious foundations (bonyads) should be reconsidered. At the same time, the budget of the armed forces with the parallel organizations should be addressed as well.

Iran has been witnessing protest waves since 2019, although it has often been misunderstood by the Western media and portrayed as the ongoing collapse of the regime. The regime itself has low legitimacy, but this should not be translated as an authoritarian breakdown. The [recent protests](#) of 2020 and 2021 are mainly due to the failure of managing environmental issues, e.g. in Isfahan the river Zayandeh Rood has dried out because authorities built dams that hijack the regular flow of the river. The climate issues are often intertwined with ethnic tension in areas that are extremely marginalized by Tehran. As a multi-ethnic country, Iran has its own [Kurdish, Azeri, Arab, and Beluchi problem](#), which the regime neglected during the previous decades. As the Iranian economy will not recover soon even in case of a normalization of relations with the P5, the paramount challenges will remain unresolved. From these perspectives, a nuclear deal is much needed by Iran. The question, however, remains at what price an agreement should be reached.

As Raisi himself [has not accumulated previous experience](#) dealing with such challenges, and he is considered a principalist/hardliner, it is often argued that it would [not be easy to accommodate](#) Iran's grievances by the international community. At the same time, political scientists often argue that any agreement is more legitimate if it is signed by hardliners in a conflict situation.

[One issue](#) that certainly would be raised by Iran is the status of the Iranian Revolutionary Guard Corps (IRGC), which is currently on the list of Foreign Terrorist Organizations (FTO) in the United States. Removing the IRGC from the list of FTOs may presuppose redefining Iran's regional agenda and the network of non-state actors. As at the time of writing, Russian forces have started a disengagement from Southern Syria, non-state actors that are close to [Tehran are filling the vacuum militarily](#) and politically, endangering the fragile status quo in the region. The King of Jordan, Abdullah II has recently talked about the necessity of a closer cooperation between like-minded states to contain the Iranian expansion, called the Middle Eastern NATO or the Middle Eastern Security Architecture by the Trump administration.

Iran has recently launched a rapprochement strategy with many GCC countries, most of which are not in favour of the nuclear deal. [Raisi has paid a visit to Muscat](#), and high-level UAE representatives have talked in Tehran on security issues. One country that should be mentioned is Saudi Arabia, with which Iran shares the idea of resisting the recognition of the Jewish State. The fact that the Saudis are cautious about signing the Abraham Accords is seen as positive by the decisionmakers in Iran. Despite the dialogue launched between Tehran and Riyadh, it seems that [it is far from reaching more concrete results](#).



Another issue that would be on the table in case of successful negotiations is how trade relations between Russia and Iran would be impacted by lifting the 'Western' sanctions. Moscow is usually a supporter of the nuclear talks; however, this case has been [obscured by the unpredictability](#) of bilateral commercial relations. To sum up, Iran is ready for a renewed nuclear deal, although not at all costs. National pride, regional and global interests, as well as domestic challenges all shape Iran's position at the negotiation table.

ERZSÉBET N. RÓZSA

Return to the JCPOA may have seemed a simple and credible campaign promise on Joe Biden's part, although President Trump aimed to make it impossible by introducing several new sanctions even in the last months of his presidency. Yet, after one and a half years of the Biden presidency, it seems that US policy on the JCPOA and regarding Iran in general has not changed much, some even say that it "[has been Trump's second term](#)".

The main issue is if there is going to be a revival of the JCPOA at all, and if so, with what content, what deadlines, and what conditions/guarantees. Timing may be of relevance as well.

Will there be a revival? Should one look at the will and interests of the states, and the basic underlying idea of the JCPOA, making sure that Iran does not develop nuclear weapons in return for lifting the (nuclear-related) sanctions? The answer should be a definite yes, however... Although the JCPOA was never meant to be a bilateral issue, rather an agreement among the world leaders (P5+1) and Iran, and it was later joined by the European Union as the main negotiator, as well as the whole UN Security Council, the US exit from the deal in 2018 seemed to narrow it down to the US and Iran. The fact that the US allies in the region, especially Israel, but also Saudi Arabia and the United Arab Emirates, were not involved, has been one of the most criticised points from the beginning. Israel has stood firmly against the deal, saying that "[no deal is better than a bad deal](#)." The Arab Gulf states, which officially accepted the JCPOA upon the visit of President Obama's Secretary of State John Kerry, seemed to take Israel's position of rejecting the JCPOA under the Trump presidency. However, realizing that the US would not go to war in their defence (after the attacks on the Saudi oil field and oil refinery, among others), they started to re-establish connections to Iran. The US proposals of an [Arab NATO](#) or a regional security pact against Iran clearly does not resonate well with the Arab states. (There is also a long history of proposals to establish a regional security architecture, usually with the inclusion of Iran.)

In the US, the JCPOA was controversial from the beginning in the sense that it was a domestic political issue, the reason why President Obama declared it with a presidential decree and did not risk taking it to Congress. The JCPOA was also

a matter of political struggles in Iran, with the difference that all Iranian political circles agreed on the need to return to the JCPOA. The question was under what conditions. With Ebrahim Raisi's presidency, however, all the main political institutions are in the hand of the so-called conservatives, thus an agreement should seem easier in terms of domestic politics.

The other parties to the JCPOA (P4+1) and beyond, the EU, Japan, India, etc, would support a return to the JCPOA, the sooner the better. Although the EU supported the vote against Iran in the recent IAEA Board of Governors' meeting, it is the EU that is [the main mediator](#) in the negotiations.

Return to the JCPOA should mean that both Iran and the US return to mutual compliance: Iran, always announcing that "everything is reversible", returns to fulfilling all technical commitments; the US again joins the agreement and abides by it, including all its technical, political, and financial tenets.

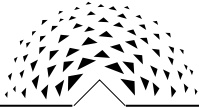
However, as it is often claimed, Iran has made progress in mastering nuclear technologies, and that knowledge and expertise cannot be taken away, even if the activities themselves can be limited and controlled.

The US, on the other hand, has lost much credibility – not only due to its exit from the JCPOA but also due to its non-interference in the defence of its Gulf allies, its claimed 'pivot to Asia', and the Russian war in the Ukraine – and it does not have the power to unite the UN Security Council or the international community at large in support of its position. Except, most probably, if it helps the international community to take the Iran nuclear file off the agenda.

Ever since the announcement of the JCPOA, one of the main criticisms has involved the "sunset clauses", i.e. the periods of time attached to the different commitments (10-15-25 years). Taking into consideration that the JCPOA was signed in 2015, the first ten-year period will soon expire. Considering that in 2024 the US may have a new Republican president, planning over some issues may not cover more than two years, resulting in a huge legal-political controversy. A case in point is the UNSC arms embargo.

The [UNSC arms embargo on Iran](#) (Res. 1737/2006, Res. 1747/2007, Res. 1929/2010, Res. 2231/2015) expired in October 2020, i.e. in the last months of the Trump presidency. Although the US tried to extend the related sanctions in the UN Security Council, 11 of the 14 UNSC members abstained from voting, while Russia and China opposed the extension. However, each party maintained an extremely cautious position in its dealing with Iran, especially that it was still before the US presidential elections.

In a constructive turn, it was proposed from the Iranian side that the period of the ["sunset clauses" could be lengthened](#). The JCPOA was meant to be a one-time plan of action, the beginning of a process to further communications and potential agreements over issues of common concern. The JCPOA was also negotiated in good faith, and one week after its signature, the UN Security Council unanimously accepted it. Implementation started on 16 January, 2016, in spite of the fact that, as Iran has complained in international fora several times, the Western, especially



US commitments were not abided by. However, President Trump's move to unilaterally pull the US out of the JCPOA was a big blow to US credibility globally. Iran is clearly aware that this may happen with a new US President again.

Consequently, Iran insists on "[inherent guarantees](#)" that will safeguard the longevity of the JCPOA by deterring the next US president from repeating Trump's actions." These would involve, among others, "[storing all of Iran's existing stockpiles of enriched uranium](#) to 20% and 60% purity within the country, sealed and under the supervision of the International Atomic Energy Agency."

Despite the ups and downs in the negotiations over the revival of the JCPOA, one of the main issues was timing. Several events have been foreseen as potential initiators: from the entry into office of the Biden administration and that of the Raisi government in Iran, to the different sessions in Vienna or Doha, where it was expected that an agreement could be reached before President Biden's mid-July visit to the Gulf. Although at the time of writing the return to the JCPOA seems practically impossible before the Biden visit, a next potential date to watch is the [NPT Review Conference](#), postponed from 2020 to 1-22 August, 2022 due to the COVID-19 pandemic. Since under [Article VI](#) of the Treaty each party [but especially] the nuclear weapon states undertake "to pursue negotiations ... on effective measures relating to cessation of the nuclear arms race ... and to nuclear disarmament", with an agreement to a return to the JCPOA the US could come to the conference claiming it has taken a step towards nuclear disarmament. (Although it is an open question for the nuclear non-proliferation and disarmament community worldwide how important nuclear non-proliferation and disarmament still are.) The next date to watch will be the US mid-term elections: should no agreement materialize, the JCPOA will almost certainly be given up. If the JCPOA is revived (even in an amended form, as JCPOA 2.0), it will probably give a boost to negotiations on nuclear issues, which have even more relevance now, with Russia's war against Ukraine.

MÁTÉ SZALAI

Since the Biden administration restarted negotiations on the Iranian nuclear question in 2021, many predictions have been made regarding their outcome. In that year, [seven rounds of talks](#) were held in Vienna, during which substantial progress was made. While the Iranian presidential elections slowed down the process, new President Ebrahim Raisi continued the negotiations, even if [his approach was less compromising](#) than that of his predecessor. By [early March 2022](#), it seemed that the parties were getting really close to signing a new deal, but [new Russian demands](#) surfaced and derailed the process at the last stage. After a compromise was reached with Russia, it seemed that restoring the Joint Comprehensive Peace of Action (JCPOA) was nothing but [imminent](#).

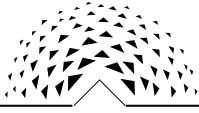
In spite of such optimistic predictions, we do not have a deal on the table, and the likelihood that we will ever have one is shrinking. After solving the “Russian problem”, [disagreements on sanction relief](#) slowed down finalisation. Later, in May, it was reported that the final crucial problem that needs to be resolved is [the foreign terrorist organization designation of the Iranian Islamic Revolutionary Guard Corps](#) (IRGC) by US law. Tehran requested the removal of the IRGC from the terrorist list as a final condition, and while it seems that the Biden administration is still very keen on getting the deal signed, [they declined](#) the request. In order to solve the remaining issues, indirect talks were held between the US and Iran in Qatar in late June. After the meeting, [both sides reported](#) that tangible solutions had not been reached.

All of these signs indicate that mutual distrust, domestic political considerations on both sides, and international political calculations still push Tehran and Washington to be less flexible with each other. The current Russian-Ukrainian war does not help the process either, as [rising oil prices provide additional leverage for the Iranian economy](#). That said, the war is not completely favourable for Iran either – the growing role of Russian oil in the Chinese economy has made Iranian crude exports to the Eastern Asian country [fall by more than half between February and May](#), one of the few countries with which Tehran has managed to maintain trade relations.

This dual effect of the war in Ukraine complicates the process to a great extent. Moreover, as time goes by, getting back to the original JCPOA regulations seems less and less achievable. The [International Atomic Energy Agency estimates](#) that since it suspended the implementation of the agreement, Iran has enriched more than 15 times the allowable amount of uranium and installed additional advanced centrifuges. Moreover, [Iran announced its intention to remove 27 cameras](#) in its nuclear sites which were installed due to the monitoring requirements of the JCPOA.

According to [unnamed senior Iranian officials who talked with Reuters](#), the Iranian strategy remains two-faced. On the one hand, their ultimate aim remains to be to reach sanction relief in the framework of the agreement. On the other hand, they feel that time is on their side, and the nuclear program is advancing in Iran as the months are passing by, making it more expensive for the United States to get back to the JCPOA. Moreover, the Biden administration is perceived to lack the political will to put additional military pressure on Iran, and therefore the current developments will arguably either end in a deal favourable to Tehran or the [successful implementation of the nuclear program](#) and the development of nuclear weapons.

Therefore, the current outlook is quite grim regarding the resurrection of the JCPOA. That said, it is important to bear in mind that narratives have changed constantly in the last year, consequently a few weeks can transform the situation completely. [Biden’s trip to Israel and Saudi Arabia](#) scheduled for 13-16 July will be indicative regarding the evaluation of the American government. If Washington



calculates that the deal is a dead cause, we can expect a tangible initiative or proposal for building a more active anti-Iranian network in the Middle East. If that does not happen, there might still be an opportunity in the subsequent months to reach a compromise with Iran. Chances seem to weaken after the American midterm elections – the [bipartisan majority in Congress does not agree with Biden’s approach to Iran even now](#), but after a predicted Republican take-over, there will be even less incentive for the White House to proceed.