www.thehindu.com 2018-06-20

Defend the deal: on Iran nuclear deal

Iran's notification to the UN that it would launch a plan to increase its uranium enrichment capacity illustrates the risks associated with the U.S. withdrawal from the nuclear deal last month. The Joint Comprehensive Plan of Action, reached among the five permanent members of the UN Security Council, besides Germany, the **European Union and Iran**, in 2015, curtailed Tehran's nuclear programme in return for the lifting of international sanctions. But after President Donald Trump withdrew the U.S. from the agreement and threatened to impose new sanctions on Iran, its survival is in question. For now, the other signatories say they remain committed to the agreement. But almost a month after Mr. Trump announced his decision, they are yet to come up with a framework to salvage the deal. The latest Iranian announcement is perhaps aimed at turning the heat up on European powers to come up with guarantees that the deal's benefits will be in place even with U.S. sanctions. According to the deal, Iran can enrich uranium, but under tight restrictions. Iran now says it would open a centre for the production of new centrifuges at its Natanz facility, which could be used for enrichment. Tehran could argue that it is not technically violating the agreement as long as it does not produce centrifuges. But the move to open a production facility, that too soon after Supreme Leader Ayatollah Ali Khamenei called for preparations to speed up uranium enrichment, could be seen as a provocative step by the remaining parties to the agreement.

Instead of such posturing, both Iran and Europe would do well to shift their focus to preserving the integrity of the agreement. If Europe remains politically committed to the agreement as it claims, there have to be proper measures to circumvent the impact of <u>U.S. sanctions</u>. It is not yet clear whether European companies will make any significant investments in Iran, or even continue to do business in the country, once U.S. sanctions start targeting them. Earlier, European countries had discussed providing companies that do business with Iran special financing from the European Investment Bank and passing legislation to protect them from U.S. sanctions — but no decision has been taken so far. The EU says it can create conditions for Iran to continue to benefit from the deal but is wary of giving any guarantee. Iran has made it clear that the U.S. withdrawal should not affect its oil exports and access to the SWIFT international bank payments messaging system. The way forward is to continue a dialogue to find an economic and legislative package that would shield European companies and Iranian economic interests from U.S. sanctions. For that, Europe has to assure Iran it will stand up to U.S. pressure, as Iran remains cooperative and compliant with the terms of the 2015 agreement.

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