

## The art of the nuclear deal

An agreement signed between Iran and the P5+1 (the five permanent members of the U.N. Security Council and Germany) in 2015 that removed economic sanctions against the country after it agreed to a joint comprehensive plan of action (JCPOA). This plan ensured that Iran will drastically reduce its uranium enriching capacity and levels, enriched stockpiles and centrifuges, and will allow for stringent inspection and monitoring by international agencies. The IAEA certified in its latest quarterly report on August 31, 2017, that Iran has complied with the JCPOA and that its stock of low-enriched uranium and centrifuges for enrichment are in line with the nuclear pact. Free from the sanctions, Iran has seen its economy bouncing back with an accelerated growth rate of 9.2% in its latest quarter.

The Republicans were dead against the nuclear deal in the Congress in the run-up to it suggesting that the deal did not do enough to wring further concessions from Iran in terms of its support to groups opposed to U.S. ally Israel, its military programme, etc. Mr. Trump has always termed it “a bad deal” giving few specifics on why his administration thinks so. His thinking is in line with other decisions, where his administration has shown alacrity in reversing signature policy measures instituted in his predecessor Barack Obama’s tenure. The route Mr. Trump wants to take to do so is by de-certifying the deal, which he may do next week. Under U.S. law, the administration has to certify whether Iran is complying with the deal and if it is in the country’s national security interest to remain in it, every 90 days.

After de-certification, the U.S. Congress will review — in a process that will take 60 days — whether it is time to re-apply U.S. sanctions on Iran that were suspended after the JCPOA was signed. With Republicans in a majority in the House and the Senate, there is a possibility of this happening, but some GOP lawmakers have expressed reservations about returning to a sanctions regime.

The EU, Russia and China understand that Iran has complied with the deal and are not keen on breaking the consensus over it. Unilateral U.S. sanctions would entail stringent provisions applying to EU companies that deal with Iran. Some of them may buckle and refuse to continue economic ties with Iran, while some may seek the refuge of regulations that the EU used to shield entities from U.S.’s secondary sanctions.

This might also embolden hardliners in Iran to pressure its moderate regime to withdraw from the agreement, breaking up what was a remarkable international agreement that ultimately helped Iranian citizens weather a period of economic recession and limited its nuclear programme for peaceful purposes.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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