

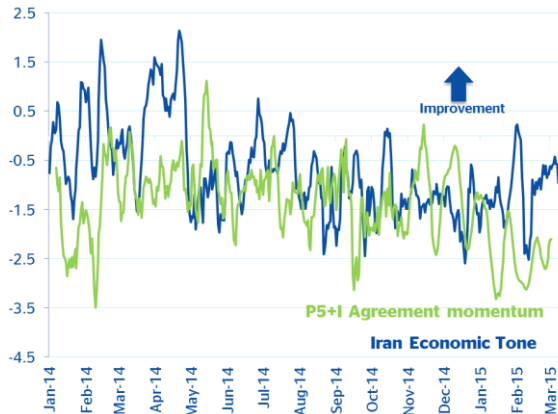
## Global Hot Topics

## The Iran &amp; P5+1 Agreement: not just technical issues

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A new round of discussions between the P5+1 countries and Iran is approaching and both parties will try to find a "comprehensive" agreement to curb Iran's nuclear potential in exchange for the lifting of sanctions. Although "nuclear technical details" and sanctions relief remain the key issues, politic and geopolitics details of the agreement's implementation are not minor.

## Iran: P5+1 Negotiations pulse &amp; Economic Tone

Source: [www.odell.org](http://www.odell.org) & BBVA Research

## The P5+1 &amp; Iran deal: from the technical details...

Iran and the P5+1 (US, UK, France, China, Russia and Germany) are coming to the final round of discussions in search of a "comprehensive" agreement to curb sensitive nuclear activities in the Islamic Republic in return for the lifting of sanctions which are damaging its economy. Both sides have set deadlines of 31 March for a political framework agreement and 30 June for a final deal.

On the nuclear issue, the most sensitive "technical" details are the enrichment facilities (Natanz, Fordow) and the research reactor under construction at Arak. Iran's nuclear programme spans almost the entire nuclear fuel cycle except for reprocessing (separation of irradiated

nuclear fuel) and waste disposal. The enrichment facilities and the Arak reactor are sensitive because of their ability to produce fissile material that could be used either for peaceful purposes or for a nuclear weapon. Discussions include how many centrifuges Iran will be allowed to run and how advanced they might be. These technical issues, their future monitoring and questions of how long the agreement will maintain restrictions on Iran's nuclear programme are crucial.

## ..to the politics and geopolitics of the agreement

However, **the political and geopolitical aspects of the agreement are not a minor issue**, as there are many actors to balance. On the **actors involved in the negotiations**:

- **In the US the Republican opposition is acting tough** and one of the difficulties is to reach a "permanent" agreement to overcome potential changes by the US opposition in the coming years. Furthermore, questions about which of the sanctions will be removed will also be key.
- **An agreement with the rest of the P5+1 members remains feasible**. Only France looks somewhat reluctant, but this skepticism is more about achieving unanimous agreement than actual opposition.
- **In Iran**, the initiative of **President Rouhani**, the support of most of the **Iranian people** (tired of sanctions), and the backing of the **Supreme Leader Khamenei** (who fears a repetition of 2009's Green Revolution), will limit the **hardliners' opposition**, although they will try to undermine the deal.

**The US needs to ensure that its regional partners and the principal players in the region can live with the deal. A failure would open the door to a nuclear race in the region, beginning sooner rather than later:**

- **Israel maintains its hardline stance**. The recent speech by Netanyahu to the US Congress and the exchange of secret information with the US Republicans are good examples of it. Israel maintains that Iran cannot be trusted and shouldn't be permitted to make any fissile material. Netanyahu called the agreement with Iran a "historic mistake" and left open the possibility of free riding military strikes.
- **Although the U.S's close relationship with Saudi Arabia has been weakened, the agreement should not affect the continuing need for close cooperation**. Saudi Arabia and other key members of the Gulf Cooperation Council will continue to be key allies to balance the strategic influence in Iraq, Syria and Lebanon, and to stabilise Egypt and Jordan.
- **Turkey, the other big player** in the region, has not come out clearly against the deal. A successful deal would open up entirely **new cooperation opportunities for Iran and Turkey in the areas of security, economy and energy**. In contrast, Turkey's regional influence could be challenged as the Iranians re-balance their own geopolitical stance in the region.

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