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## What Is the Iran Nuclear Deal?

Diplomacy to revive this arms control agreement has faced multiple stumbling blocks, including Iran's nuclear advances and its links to conflicts in the Gaza Strip and Ukraine.

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### Summary

Signed in 2015 by Iran and several world powers, including the United States, the JCPOA placed significant restrictions on Iran's nuclear program in exchange for sanctions relief.

President Trump withdrew the United States from the deal in 2018, claiming it failed to curtail Iran's missile program and regional influence. Iran began ignoring limitations on its nuclear program a year later.

Washington and Tehran have both said they would return to the original deal, but they disagree on the steps to get there.

### Introduction

The Iran nuclear agreement, formally known as the Joint Comprehensive Plan of Action (JCPOA), is a landmark accord reached between Iran and several world powers, including the United States, in July 2015. Under its terms, Iran agreed to dismantle much of its nuclear program and open its facilities to more extensive international inspections in exchange for billions of dollars' worth of sanctions relief.

Proponents of the deal said that it would help prevent a revival of Iran's nuclear weapon program and thereby reduce the prospects for conflict between Iran and its regional rivals including Israel and Saudi Arabia. However, the deal has been in jeopardy since President Donald Trump withdrew the United States from it in 2018. In retaliation for the U.S. departure and for deadly attacks on prominent Iranians in 2020, including one by the United States, Iran has resumed its nuclear activities. UN inspectors reported in early 2023 that Iran had enriched trace amounts of uranium to nearly weapons-grade levels, sparking international alarm.

President Joe Biden said that the United States would return to the JCPOA if Iran came back into compliance, but after more than two years of stop-and-go talks, the countries are nowhere near a compromise, and as of late 2023, provisions of the agreement have started to expire.

## **Who are the participants?**

The JCPOA, which went into effect in January 2016, imposes restrictions on Iran's civilian nuclear enrichment program. At the heart of negotiations with Iran were the five permanent members of the UN Security Council (China, France, Russia, the United Kingdom, and the United States) and Germany—collectively known as the P5+1. The European Union (EU) also took part.

Some Middle Eastern powers, such as Saudi Arabia, said they should have been consulted and included in the talks because they would be most affected by a nuclear-armed Iran. Israel explicitly opposed the agreement, calling it too lenient.

## **What were the goals?**

The P5+1 wanted to unwind Iran's nuclear program to the point that if Tehran decided to pursue a nuclear weapon, it would take at least one year, giving world powers time to respond. Heading into the JCPOA negotiations, U.S. intelligence officials estimated that, in the absence of an agreement, Iran could produce enough nuclear material for a weapon in a few months. Negotiating nations feared that Iran's moves to become a nuclear weapons state risked thrusting the region into a new crisis. One concern was that Israel would take preemptive military action against suspected nuclear facilities in Iran, as it had in Iraq and

Syria, perhaps triggering reprisals by Lebanon-based Hezbollah or disruptions to the transport of oil in the Persian Gulf. Additionally, Saudi Arabia has since signaled a willingness to obtain a nuclear weapon if Iran successfully detonates one.

Iran had previously agreed to forgo the development of nuclear weapons as a signatory to the Nuclear Nonproliferation Treaty, which has been in force since 1970. However, after the overthrow of the Pahlavi dynasty in 1979, Iranian leaders secretly pursued this technology. (In 2007, U.S. intelligence analysts concluded that Iran halted its work on nuclear weapons in 2003 but continued to acquire nuclear technology and expertise.)

Prior to the JCPOA, the P5+1 had been negotiating with Iran for years, offering its government various incentives to halt uranium enrichment. After the 2013 election of President Hassan Rouhani, who was viewed as a reformer, the parties came to a preliminary agreement to guide negotiations for a comprehensive deal.

For its part, Iran sought the JCPOA for relief from international sanctions, which starved its economy [PDF] of more than \$100 billion in revenues in 2012–14 alone.

## **Does it prevent Iran from getting nuclear weapons?**

Many experts say that if all parties adhered to their pledges, the deal almost certainly could have achieved that goal for longer than a decade. Many of the JCPOA's restrictions on Iran's nuclear program have expiration dates. For example, after ten years (from January 2016), centrifuge restrictions would be lifted, and after fifteen years, so too would limits on the amount of low-enriched uranium Iran can possess. Some of the deal's opponents faulted these so-called sunset provisions, saying they would only delay Iran building a bomb while sanctions relief would allow it to underwrite terrorism in the region.

## **What did Iran agree to?**

*Nuclear restrictions.* Iran agreed not to produce either the highly enriched uranium or the plutonium that could be used in a nuclear weapon. It also took steps to ensure that its Fordow, Natanz, and Arak facilities pursued only civilian work, including medical and industrial research.

The accord limited the numbers and types of centrifuges Iran can operate, the level of its enrichment, as well as the size of its stockpile of enriched uranium. (Mined uranium has less than 1 percent of the uranium-235 isotope used in fission reactions, and centrifuges

increase that isotope's concentration. Uranium enriched to 5 percent is used in nuclear power plants, and at 20 percent it can be used in research reactors or for medical purposes. High-enriched uranium, at some 90 percent, is used in nuclear weapons.)

*Monitoring and verification.* Iran agreed to eventually implement a protocol that would allow inspectors from the International Atomic Energy Agency (IAEA), the United Nations nuclear watchdog, unfettered access to its nuclear facilities and potentially to undeclared sites. Inspections are intended to guard against the possibility that Iran develops nuclear arms in secret, as it has allegedly attempted before. The IAEA has issued quarterly reports to its board of governors and the UN Security Council on Iran's implementation of its nuclear commitments.

A body known as the Joint Commission, which includes representatives of all the negotiating parties, monitors implementation of the agreement and resolves any dispute that arise. A majority vote by its members can gain IAEA inspectors access to suspicious, undeclared sites. The body also oversees the transfer of nuclear-related or dual-use materials.

## **What did the other signatories agree to?**

*Sanctions relief.* The EU, United Nations, and United States all committed to lifting their nuclear-related sanctions on Iran. However, many other U.S. sanctions on Iran, some dating back to the 1979 hostage crisis, remained in effect. They cover matters such as Iran's ballistic missile program, support for terrorist groups, and human rights abuses. Though the United States committed to lifting its sanctions on oil exports, it kept restrictions on financial transactions, which have deterred international trade with Iran.

*Weapons embargo.* The parties agreed to lift an existing UN ban [PDF] on Iran's transfer of conventional weapons and ballistic missiles after five years if the IAEA certified that Iran only engaged in civilian nuclear activity.

## **How is the Iran deal enforced?**

If any signatory suspects Iran is violating the deal, the UN Security Council can vote on whether to continue sanctions relief. This "snapback" mechanism remains in effect for two years, after which the UN sanctions are set to be permanently removed.

In April 2020, the United States announced its intention to snap back sanctions. The other P5 members objected to the move, saying the United States could not unilaterally implement the mechanism because it left the nuclear deal in 2018.

## **Did Iran comply initially?**

The agreement got off to a fairly smooth start. The IAEA certified in early 2016 that Iran had met its preliminary pledges; and the United States, EU, and United Nations responded by repealing or suspending their sanctions. Most significantly, U.S. President Barack Obama's administration dropped secondary sanctions on the oil sector, which allowed Iran to ramp up its oil exports to nearly the level it reached prior to sanctions. The United States and many European nations also unfroze about \$100 billion worth of frozen Iranian assets. However, the deal has been near collapse since President Trump withdrew the United States from it in 2018 and reinstated devastating banking and oil sanctions. Trump said the agreement failed to address Iran's ballistic missile program and its proxy warfare in the region, and he claimed that the sunset provisions would enable Iran to pursue nuclear weapons in the future.

Iran accused the United States of reneging on its commitments, and faulted Europe for submitting to U.S. unilateralism. In a bid to keep the agreement alive, France, Germany, and the United Kingdom launched a barter system known as INSTEX to facilitate transactions with Iran outside of the U.S. banking system. INSTEX was used only once before France and Germany announced its dissolution in 2023, citing Iranian obstruction.

Following the U.S. withdrawal, several countries—U.S. allies among them—continued to import Iranian oil under waivers granted by the Trump administration, and Iran continued to abide by its commitments. But a year later, the United States ended the waivers with the aim of halting Iran's oil exports completely.

## **What is Iran's current nuclear activity?**

In response to the other parties' actions, which Tehran claimed amounted to breaches of the deal, Iran started exceeding agreed-upon limits to its stockpile of low-enriched uranium in 2019, and began enriching uranium to higher concentrations (though still far short of the purity required for weapons). It also began developing new centrifuges to accelerate

uranium enrichment; resuming heavy water production at its Arak facility; and enriching uranium [PDF] at Fordow, which rendered the isotopes produced there unusable for medical purposes.

### Iran's Major Nuclear Facilities



In 2020, Iran took more steps away from its nuclear pledges, following a series of attacks on its interests. In January, after the United States' targeted killing of top Iranian general Qasem Soleimani, Iran announced that it would no longer limit its uranium enrichment. In October, it began constructing a centrifuge production center at Natanz to replace one that was destroyed months earlier in an attack it blamed on Israel. And in November, in response to the assassination of a prominent nuclear scientist, which it also attributed to Israel, Iran's parliament passed a law that led to a substantial boost in uranium enrichment at Fordow.

Tehran has increasingly limited the IAEA's ability to inspect its facilities since Washington withdrew from the nuclear deal, though it pledged in March 2023 to boost cooperation with the agency. The commitment came months after IAEA inspectors detected uranium particles enriched to 83.7 percent at Fordow, prompting international concern.

## **How has the deal affected Iran's economy?**

Prior to the JCPOA, Iran's economy suffered years of recession, currency depreciation, an inflation, largely because of sanctions on its energy sector. With the sanctions lifted, inflation slowed, exchange rates stabilized, and exports—especially of oil, agricultural goods, and luxury items—skyrocketed as Iran regained trading partners, particularly in the EU. After the JCPOA took effect, Iran began exporting more than 2.1 million barrels per day (approaching pre-2012 levels, when the oil sanctions were originally put in place). However, these improvements did not translate to a significant increase in the average Iranian household's budget.

The end of sanctions waivers on oil exports and the restoration of U.S. sanctions in 2018 plunged Iran deeply into a vital source of national revenue: that year, oil and petroleum products accounted for 80 percent [PDF] of Iran's exports. By 2020, exports of Iranian crude had fallen as low as one hundred thousand barrels per day. Since then, sales to China have helped boost crude exports, which averaged 1.1–1.2 million barrels per day by the end of 2022. Additionally, in October of that year, the United States imposed sanctions on eight major Iranian banks, causing the Iranian rial to fall further against the U.S. dollar.

Meanwhile, the wide range of U.S. sanctions unrelated to the nuclear program have added to the damage. Multinational firms fear being punished by the United States for transacting with sanctioned Iranian entities associated with, for example, the Islamic Revolutionary Guard Corps (IRGC), which holds sway over many industries. With sanctions deterring international trade, black markets have boomed, enriching the IRGC at the expense of the regular economy.

## **What is the outlook for the agreement?**

JCPOA signatories have struggled to revive the essentially defunct deal. The countries began talks to bring Washington and Tehran back into the agreement in April 2021, but negotiations have since been off and on, complicated by developments such as Iran's

election of conservative cleric Ebrahim Raisi as president, Russia's invasion of Ukraine, and the 2023 Israel-Hamas war. Iran's apparent involvement in the two conflicts even earned additional sanctions. Just as certain UN-mandated provisions of the JCPOA were set to expire in October 2023, the Biden administration imposed new sanctions on Iran's ballistic missile and drone programs, and the EU refused to terminate the sanctions on its end. Moreover, Washington and Tehran still disagree on several issues related to rejoining the agreement, including the IRGC's designation as a terrorist organization, and U.S. officials say further nuclear advances by Iran could make returning to the original deal impossible.

## **Recommended Resources**

For the *Atlantic*, CFR's Ray Takeyh and the Foundation for Defense of Democracies' Reuel Marc Gerecht argue that promoting democracy in Iran would benefit the U.S. government more than attempting to curb the country's nuclear ambitions.

The U.S. Institute of Peace tracks the Biden administration's nuclear diplomacy with Iran.

The International Crisis Group visualizes Iran-related sanctions levied by the Trump administration.

Al-Monitor's Andrew Parasiliti examines the Biden administration's strategy for curbing Tehran's nuclear ambitions and reaching a U.S.-Iran détente.

For *Foreign Affairs*, Suzanne Maloney of the Brookings Institution offers a "plan B" for restricting Iran's nuclear program without restoring the nuclear deal.

*Will Merrow created the graphic for this article.*

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