



Joint Comprehensive Plan of Action (JCPOA)

For Prelims: Joint Comprehensive Plan of Action (JCPOA), International Atomic Energy Agency (IAEA), Chabahar Port, International North-South Transit Corridor (INSTC), Countering America's Adversaries Through Sanctions Act (CAATSA).

For Mains: Groupings & Agreements Involving India and/or Affecting India's Interests, JCPOA and its Significance.

Why in News?

Recently, the **US imposed sanctions against** a Mumbai based petrochemical company, **Tibalaji Petrochem Pvt Ltd.** as it was accused of selling Iranian petroleum products.

- It is the **first Indian entity to face the US designation under unilateral sanctions passed in 2018-19**, after the US walked out of the [Joint Comprehensive Plan of Action \(JCPOA\)](#).

What was the Joint Comprehensive Plan of Action (JCPOA)?

- The deal is also known as **2015 Iran Nuclear Deal**.
- The JCPOA was the result of prolonged negotiations from 2013 and 2015 between **Iran and P5+1 (China, France, Russia, the United Kingdom, the United States + Germany)**.
- Under the deal, **Iran agreed to significantly cut** its stores of centrifuges, enriched uranium and heavy-water, **all key components for nuclear weapons**.
- Iran also **agreed to implement a protocol that would allow inspectors from the [International Atomic Energy Agency \(IAEA\)](#) to access its nuclear sites** to ensure Iran would not be able to develop nuclear weapons in secret.
- While the **West agreed to lift sanctions related to Iran's nuclear proliferation, other sanctions addressing alleged abuses of human rights and Iran's ballistic missile programme** remained in place.
- The US committed to lifting sanctions on oil exports, but continued to restrict financial transactions, which have deterred international trade with Iran.
- Nonetheless, Iran's economy, after suffering years of recessions, currency depreciation, and inflation, stabilized significantly after the deal took effect, and its exports skyrocketed.
- **After US abandoned the deal in 2018** and reinstated banking and oil sanctions, **Iran ramped up its nuclear programme in earnest**, returning to approximately 97% of its pre-2015 nuclear capabilities.

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Changes agreed under Iran deal to limit nuclear programme



What Happened After the US Pulled Out of the Deal?

- In April 2020, the **US announced its intention to snap back sanctions. However, the other partners objected** to the move, stating that **since the US was no longer part of the deal, it could not unilaterally reimpose sanctions.**
- Initially following the withdrawal, **several countries continued to import Iranian oil under waivers** granted by the Trump administration. A year later, the **US ended the waivers to much international criticism** and, by doing so, significantly curbed Iran's oil exports.
- The other powers, in an attempt to keep the deal alive, launched a **barter system known as [Instrument in Support of Trade Exchanges \(INSTEX\)](#) to facilitate transactions with Iran outside the US banking system.** However, INSTEX **only covered food and medicine**, which were already exempt from US sanctions.
- In January 2020, after the **US assassinated the top Iranian general Qasem Soleimani**, Iran announced that it would **no longer limit its uranium enrichment.**
- In September 2022, **Iran and International Atomic Energy Agency officials held a round of talks to discuss** the possibility of Iran's agreement to reallow inspectors back to Iran for oversight over reactors.
 - **The U.S. and Iran have also exchanged their stands indirectly** via the European Union for a "final draft" on rejoining the JCPOA.

What is the significance of JCPOA for India?

▪ Enhance Regional Connectivity:

- Removing sanctions may revive **India's interest in the [Chabahar port](#)**, Bandar Abbas port, and other plans for regional connectivity.
- This would **further help India to neutralize the Chinese presence in Gwadar port**, Pakistan.
- Apart from Chabahar, **India's interest in the [International North-South Transit Corridor \(INSTC\)](#)**, which runs through Iran, and will improve connectivity with five Central Asian republics, may also get a boost.

▪ Energy Security:

- Due to the pressure linked to the **US [Countering America's Adversaries Through Sanctions Act \(CAATSA\)](#)**, **India has to bring down oil imports to zero.**
- Restoration of ties between the US and Iran will **help India to procure cheap Iranian oil and aid in energy security.**

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Which of the following is not a member of 'Gulf Cooperation Council'? (2016)

- (a)** Iran
- (b)** Saudi Arabia
- (c)** Oman
- (d)** Kuwait

Ans: (a)

Exp:

- The Gulf Cooperation Council (GCC) is an alliance of 6 countries in the Arabian Peninsula - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Iran is not a member of the GCC.
- It was established in 1981 to promote economic, security, cultural and social cooperation between the members and holds a summit every year to discuss cooperation and regional affairs.
Therefore, option A is the correct answer.

[Source: TH](#)

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