

## Keynote Welcome Address

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**Amb. Gudrun Sräga**

**I** compliment MEDAC for having chosen this not only interesting but very topical subject for the seminar today. Iran is a country with a rich history and culture, but it is also a very important economic and political player in the region. This region extends not only to the Middle East and the Mediterranean but also to the East, to Central Asia. I have served in Central Asia, in Kyrgyzstan, for four years until 2015, and I can say that the influence of Iran in this region is growing.

Before I share with you the German view on the Nuclear Deal I would like to let you know that Germany at this moment is greatly concerned about stability in the Middle East region. All sides must ease tensions and take steps to build up confidence. We are convinced that close relations built on trust are in both our and the region's common interest.

Building trust and easing tensions was also one of the driving forces which led the group of countries called E3/EU+3 to conclude the Nuclear Deal with Iran on 14<sup>th</sup> July 2015 after 12 years of contention.

When the Vienna Nuclear Agreement or more exactly the JCPOA, the Joint Comprehensive Plan Of Action, was signed, the partners

hoped that this would be a long-term settlement to the conflict surrounding Iran's nuclear programme.

The key elements of the Vienna agreement were as follows:

- Iran significantly scales back its nuclear programme as a prerequisite for sanctions being eased on Implementation Day in January 2016. Among other things, it had to dismantle two thirds of its centrifuges, to export almost its entire stockpile of enriched uranium to Russia and to fill the core of the plutonium reactor in Arak with cement, thus rendering it unusable.
- Iran has agreed to restrict its uranium enrichment to 3.67 percent and is only allowed to enrich uranium for the next 10 years.
- The research reactor in Arak is being converted so that it cannot be used to make weapons-grade plutonium.
- Overall, Iran has consented to the strictest IAEA (International Atomic Energy Agency) controls in the world.

In return for Iran scaling back its nuclear programme, the UN, EU and US lifted economic and financial sanctions on Implementation Day, as laid down in the JCPOA. Implementation Day was 16<sup>th</sup> January 2016. Since then, Iran has been able to export oil and gas again and to use international financial channels. Should Iran break the agreement, the lifted UN sanctions can be re-imposed quickly and easily, without the need for a UNSC resolution ("snap-back" mechanism).

However, the bilateral embargo by the US against Iran (with the exception of aircraft, food and carpets) and the UN, EU and US' lists of individuals and entities sanctioned for supporting terrorism and violating human rights remain in force. The restrictions against the Iranian missiles programme imposed by UN Security Council Resolution 2231 (2015) also remain in place.

The IAEA regularly verifies and monitors the technical restrictions under the Vienna agreement. It uses the strictest monitoring regime in the world. The Agency has been able to confirm in its reports so far that Iran is fulfilling its obligations.

The easing of the sanctions has had a positive impact on the Iranian economy. For the Iranian fiscal year from 21<sup>st</sup> March 2016 to 20<sup>th</sup> March 2017 the growth rate was approximately seven percent and thus reached the pre-sanctions level of oil production of some four million barrels. In 2016, the EU's trade volume with Iran increased by 79 percent, compared with 2015, to approximately 13.7 billion Euros.

Germany alone exported goods worth around 2.6 billion Euros to Iran in 2016, an increase of 25 percent over the same period in 2015. A large number of economic policy measures boosted this development. Over 100 German businesses participated in the German-Iranian Business Forum in Teheran in May 2016. In June 2016, Iran repaid its outstanding Hermes debts of approximately 575 million Euros dating from the sanctions period. Since then, export credit guarantees (Hermes) have been available again for business with Iran. Following a 15-year suspension of its activities, the Joint German-Iranian Economic Commission held a meeting in Teheran on 3<sup>rd</sup> October 2016. The meeting was chaired by the two Economic Affairs Ministers and led to a large number of agreements on German investments in Iran.

In January 2017, Airbus delivered the first of a total of 100 aircraft to the state-run airline Iran Air. The contract had only been signed a few weeks earlier. Two further aircraft have been delivered since then. Boeing also signed a contract with Iran Air in December 2016 on the delivery of 80 aircraft. The aircraft orders represent important milestones in the implementation of the Vienna nuclear agreement and help to ensure the safety of civil aviation.

Despite these positive developments however, it is obvious that the E3/EU+3 and Iran are only at the start of a long phase of mutual

confidence-building. To this end, it is important that the Vienna agreement be implemented unconditionally.

How urgently essential it is that we work together to create a safer world is demonstrated by the current irresponsible actions of North Korea which pose a serious threat to world peace. It shows how important it is that the international architecture for arms control and disarmament does not crumble. Existing treaties and agreements must not be called into question. This applies in particular to the Iran Nuclear Deal. The agreement is a way out of the impasse of a nuclear confrontation which would jeopardize regional security and have an impact far beyond the region.

The US has recently raised doubts and is thinking of backtracking from its engagement regarding the Nuclear Deal. Germany does not see this as an option. Therefore, our aim is to achieve a US commitment to sustainably maintain the agreement. Its contents and its architecture cannot be unilaterally changed. Renegotiation is not feasible.

It is paramount to apply a principle of strict separation between the matters addressed by the stipulations of the JCPoA and any measures to address other issues we have with Iran. Separate tracks should be set up for issues going beyond the agreement.

We also criticize Iranian support for militias in the region; Iran's problematic policy towards Israel is of special concern to Germany; the human rights situation in Iran has not improved lately. While targeting problematic Iranian actions in the region with firmness, we should also keep the respective files separate – no single solution can fit the hugely complex issues of Syria, Iraq, Lebanon, let alone Yemen and Afghanistan.

Those who advocate for an aggressive policy towards Iran have, to date, not come up with ideas of how a sustainable political order for the region could look. We do not think that regional security can be achieved without or against Iran.

In November 2017 the acting German Foreign Minister Gabriel travelled to the US to meet with his counterpart Tillerson. One of the most important topics was the Nuclear Deal. Gabriel stated prior to his departure:

*“It is important that all sides strictly implement the agreement: it prevents Iran from producing nuclear weapons, thus making the region safer.”* Gabriel went on to say: *“If the agreement fails, it would send a disastrous message with regard to rearmament, both in the region and around the world.”* He added that ultimately the aim was to contain conflicts via regulating mechanisms.

There is a lot to discuss.

