

## Art of the Deal

## Araghchi's balancing act in a complex region

A look into the background of Abbas Aliabadi, the designated minister of energy for the new cabinet, reveals his keen interest in transitioning to renewable energy sources, particularly electric and hybrid vehicles. Renewables currently make up only about 1% of Iran's energy mix, but Aliabadi is expected to enhance the role of renewable energy sources in the country's electricity generation. However, attracting the necessary foreign financial resources and advanced technologies for this transition process would currently be beyond his control.

In the past, he served as the head of the Malek Ashtar University of Technology and the head of the MAPNA Group, a large Iranian engineering and manufacturing conglomerate. In 2018, MAPNA was sanctioned by the United States over allegations of aiding Iran's nuclear program, specifically in the production of gas turbines. Canada also imposed sanctions on the company back in 2016. His successful management of MAPNA during that time, however, could win over the lawmakers' support. However, as the former Industry, Mining, and Trade minister, he has faced criticism for his lack of experience and expertise in the fields of industry and mining. The decline in the quality of vehicles produced by Iranian automakers was also among the criticisms directed at him during his tenure.

The electricity industry holds significant influence over other sectors, including industry, agriculture, and services. Recognized as a fundamental pillar of the economy, the electricity industry plays a pivotal role in driving economic growth and enhancing societal welfare. The advantages of electrical energy, marked by its cleanliness, user-friendliness, and adaptability to various forms, also underscore its vital importance. Effective management by Aliabadi in this critical ministry could potentially address some of the numerous challenges facing the industry.

## Tackling electricity mismatch

The major challenge facing the proposed Minister of Energy, however, is the electricity imbalance, which stands at approximately 15,000 megawatts, according to Seyyed Javad Hosseini Kia, vice chairman of the Industries and Mines Commission of Parliament.

Aliabadi has pledged to resolve this issue within two years. He apparently believes that the low efficiency of some power plants needs to be addressed first. His other proposed plans include converting gas-fired power plants to combined-cycle, smartening transmission and distribution networks, increasing incentives for building renewable power plants, strengthening the role of the private sector, utilizing capital markets for financing, creating an energy savings market, and planning for online electricity retailing.

Prioritizing the conversion of gas-fired power plants to combined-cycle technology is deemed essential to secure a vote of confidence from Parliament. This strategy will enhance the efficiency of the country's power plants, utilizing the waste heat from gas power plants to generate electricity and thereby preventing energy wastage. It remains to be seen if Aliabadi's promises to resolve the electricity shortage within two years are feasible or contradict the realities of Iran's energy market.

According to estimates, more than \$15 billion in investment is required to build the necessary power plants. Therefore, securing the necessary financing and technology to address the shortfall in the electricity industry will be a significant challenge for the Minister of Energy. Leveraging the capital market's capabilities to facilitate the provision of resources needed for electricity generation projects was an attractive option outlined in the proposed Minister of Energy's plans, considering that the ability to obtain loans from the National Development Fund has been diminished lately, which prompts industry players to seek alternative options for their project execution. To make matters worse, attracting foreign investment in the current conditions of Iran seems rather impossible, too.

Developing guidelines related to creating an energy savings market, establishing a market for energy savings certificates as a subset of the Energy Exchange, planning to create an online electricity retail platform under governmental supervision, and providing incentives for the refurbishment and modernization of domestic cooling equipment are among the other announced programs of the designated minister of energy.

Both Mohsen Paknejad and Abbas Aliabadi would face a daunting task in managing the energy crisis in Iran if they secure a vote of confidence. The energy security, national security, and economic growth of Iran heavily rely on the effective functioning of the ministries of petroleum and energy in collaboration with other ministries. Energy supply security in Iran will be confronted with substantial challenges in the upcoming years, and it remains to be seen if these two ministers will successfully navigate the country through these challenges.



Abbas Araghchi, then-Iranian deputy foreign minister, waits for the arrival of Maciej Przemysław Lang, then-undersecretary of state in the Polish Ministry of Foreign Affairs, in Tehran, Iran, on January 21, 2019.

IRNA

The life and career of Abbas Araghchi can be traced back to the heart of Tehran, where he was born in 1962 to a conservative, religious family. From an early age, he was instilled with a sense of patriotism and a commitment to serving his nation. As a young man, he answered the call of duty, volunteering to fight in the Iran-Iraq War, an experience that left an enduring mark on his worldview. It was during this conflict that he developed a deep understanding of the complexities and sacrifices inherent in defending his country's sovereignty.

Returning home after the war, Araghchi embarked on a journey that would shape his future. He joined the ranks of Iran's Foreign Ministry, a decision that would propel him onto the international stage. His academic pursuits complemented his career path as he obtained a Bachelor's degree in International Relations from the Ministry's esteemed School of International Relations. Driven by a thirst for knowledge, he further enhanced his credentials with a Master's degree in Political Science from Islamic Azad University, Central Tehran Branch.

However, it was during his time in the UK that Araghchi truly honed his diplomatic skills. While studying for his PhD in Politics and Government at the University of Kent, he immersed himself in the Western academic tradition, engaging with the ideas and theories that shaped international relations. His dissertation, "The Evolution of the Concept of Political Participation in Twentieth-Century Islamic Political Thought," revealed a nuanced understanding of the interplay between Western political concepts and the principles of Islamic societies.

As his academic career flourished, so too did his diplomatic prowess. Araghchi climbed through the ranks of the Foreign Ministry, assuming roles of increasing responsibility. He served as Iran's ambassador to Finland from 1999 to 2003, navigating the intricacies of international diplomacy. Subsequently, he took on the role of head of the Ministry's Western Europe department from 2003 to 2004, a pivotal period in Iran's nuclear negotiations with Britain, France, and Germany.

It was during this time that Araghchi's steely determination and calm demeanor under pressure truly came to the forefront. He played a pivotal role in these delicate negotiations, earning the respect of his counterparts and establishing himself as a force to be reckoned with. His expertise in the nuances of the nuclear fuel cycle and his unwavering commitment to Iran's interests marked him as a rising star in the diplomatic arena.

In recognition of his exceptional abilities, Araghchi was promoted to Deputy Foreign Minister for Legal Affairs in 2005. His influence continued to grow, and in 2008, he assumed the role of ambassador to Japan, a position that allowed him to further refine his diplomatic skills and cultivate relationships with key international players. During his tenure, he successfully navigated the delicate balance between cultural sensitivities and diplomatic obligations, earning the respect of his Japanese counterparts.

However, it was in his subsequent role as director for Asia and Pacific Affairs from 2011 to 2013 that Araghchi truly came into his own. His strategic mindset and regional expertise proved invaluable as he navigated the complex dynamics of the Asia-Pacific region. It was during this time

International Desk

## PERSPECTIVE

*In Iran's international relations, few figures are as well-respected as Abbas Araghchi, the Iranian president's newly proposed foreign minister. With a reputation that precedes him, particularly in the West, Araghchi finally steps into the spotlight during a period of escalating tensions and uncertainty in the Middle East. Known for his strategic mind and diplomatic prowess, his potential appointment signals a potential shift in Iran's foreign policy approach, offering a glimmer of hope for those seeking a resolution to the ongoing tensions.*

that he developed a deep understanding of the shifting power structures and emerging challenges within the region, positioning himself as a leading voice in Iran's foreign policy circles.

The turning point in Araghchi's career came with his recruitment by the renowned Javad Zarif, who served as foreign minister under then-president Hassan Rouhani. Recognizing Araghchi's exceptional talents, Zarif brought him on as his deputy for the nuclear talks, a decision that would have a profound impact on Iran's diplomatic endeavors. Working closely with his American counterpart, Ambassador Wendy Sherman, Araghchi demonstrated his unwavering commitment to Iran's interests while maintaining a pragmatic approach to negotiations.

The culmination of their efforts resulted in the landmark Joint Comprehensive Plan of Action (JCPOA) in 2015, a testament to Araghchi's skill as a negotiator. The agreement, between Iran and the permanent members of the UN Security Council plus Germany, traded sanctions relief for verifiable curbs on Iran's nuclear program. It stood as a shining example of diplomacy's power, offering a path toward stability and mutual understanding.



Abbas Araghchi (R), the president's proposed minister of foreign affairs, leads a small congregational prayer on July 19, 2024, with President Masoud Pezeshkian (C) standing behind him.

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However, the fragile nature of international relations soon became apparent as the JCPOA faced unforeseen challenges. The Trump administration's decision to withdraw from the agreement in 2018, despite Iran's full compliance, introduced a period of uncertainty and tension. As the deal hung in the balance, Araghchi once again found himself at the forefront, leading the Iranian negotiation team in Vienna as they worked tirelessly to salvage the agreement.

Despite his best efforts and a draft ready for signing, Araghchi faced obstacles beyond his control. The changing political landscape in Iran, marked by the election of hardline president Ebrahim Raisi, led to a shift in the country's negotiating team. Araghchi's role transitioned to that of an advisor, joining the Strategic Coun-

cil for Foreign Relations, a body that holds significant influence in shaping the Iranian Leader's decisions.

Throughout these challenges, Araghchi remained resolute in his defense of the JCPOA and the importance of nuclear talks. He highlighted the agreement's threefold benefits for Iran: the lifting of sanctions, the legitimization of its nuclear program, and the neutralization of efforts to portray Iran as a threat to international peace. His pragmatic approach extended to Iran's relations with the US, acknowledging the complexities while emphasizing the potential for managing differences.

As Iran's new potential foreign minister, Araghchi inherits a complex web of challenges and opportunities. Iranian foreign ministers navigate a delicate dance, influencing policy while navigating the influence of various institutions. It is a role that requires tact, diplomacy, and a deep understanding of the interplay between domestic and international forces.

In his vision for "comprehensive, active, and effective" diplomacy, Araghchi has outlined a path forward. He advocates for relationships based on mutual respect with European nations and a managed approach to hostilities with the US. His agenda emphasizes the honorable lifting of sanctions through serious and goal-oriented negotiations. Additionally, he recognizes the importance of fostering strong relations with global powers like China and Russia while expanding cooperation with emerging economies, reflecting a nuanced understanding of the shifting global landscape.

The unexpected turn of events, with the death of president Raisi and the subsequent election of Masoud Pezeshkian, introduces a new dynamic. Pezeshkian's vow to resolve disputes with the International Atomic Energy Agency (IAEA) and engage with the West aligns with Araghchi's diplomatic approach. However, they face the crucial task of securing the blessing of the Leader of Iran's Islamic Revolution Ayatollah Seyyed Ali Khamenei for any negotiations regarding the nuclear program and the restoration of cooperation with the IAEA.

The coming months will be pivotal for Iran's foreign policy trajectory. With the UN Security Council resolution 2231, which enshrined the JCPOA, set to expire in October 2025, the pos-

sibility of renewed UN sanctions looms. The advances in Iran's nuclear program and the recent lack of cooperation have raised concerns in France and the United Kingdom, potentially leading to the reimposition of sanctions.

In this delicate dance of international relations, Araghchi stands as a beacon of hope. His expertise, trustworthiness, and experience make him the ideal candidate to navigate these challenges. However, the ultimate outcome remains uncertain, hinging on the opportunities presented and the willingness of all parties to engage in constructive dialogue. Abbas Araghchi embodies the essence of strategic diplomacy, and his impact on Iran's future trajectory will undoubtedly leave an enduring mark on the global stage.