

What Future for the Iran Nuclear Deal?

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Since the 2015 nuclear accord with Iran (Joint Comprehensive Plan of Action or JCPOA) was concluded, the International Atomic Energy Agency which is tasked with verification of its implementation has been regularly reporting that Iran has been adhering to the deal since it took effect¹. Corresponding abolition of some sanctions and increased European economic ties to Iran followed, and the EU and the E3 - the EU countries involved in negotiating the deal - lauded the agreement as stabilizing the region, strengthening the transatlantic relations, and shoring up the global non-proliferation regime.

Still, the future of the agreement between Iran and the five permanent members of the UN Security Council plus Germany is unclear and precarious. US President Trump in January 2018 set a 120-day deadline (12th May 2018) for US lawmakers and European allies to “fix” the deal, one of President Obama’s main foreign policy achievements, otherwise the US would exit the agreement.

President Trump demands that the agreement be renegotiated so that it imposes limits on Iran’s ballistic missile program, provide for stricter inspections in Iran (and that would include military

1 ‘IAEA Director General’s Introductory Statement to the Board of Governors’, 5 March 2018.

<https://www.iaea.org/newscenter/statements/iaea-director-generals-introductory-statement-to-the-board-of-governors>

installations) and eliminates the so called sunset clauses according to which parts of the deal start are to expire between 2025 and 2030.² Furthermore, the Trump administration is concerned about Iran's regional activities and its human rights abuses. One can assume that all or at least some of these issues are of concern to the other parties to the agreement as well, with the main difference being that other stakeholder - Russia, China, France, UK and Germany - wish to continue with the agreement as one that provides for increased regional and global security, and possibly build on it, while President Trump portrays it as 'the 'worst deal ever'³. They are thus working on saving the deal by attempting to move part-way to assuage US demands.

It is at this stage uncertain whether the US would remain in the deal. A US exit could kill the nuclear deal, which Iran has so far refused to re-negotiate. Iranian policy-makers also note that while Iran has reaped some limited economic benefits from the accord, for example by being able to resume oil exports, it is still severely constrained by US sanctions in other areas. Only limited relief with regards to the US sanctions regime was provided under the JCPOA. In fact, Iran has been protesting in the spring of 2018 that under President Trump, the US has not issued a single license to allow US investment in Iran. The Foreign Minister of Iran indeed claimed that 'the United States is already in violation' of the agreement for this reason⁴. In addition, as Paulina Izewicz points out in this volume, many US sanctions have an extraterritorial component which in effect imposes US laws on non-US persons. Consequently,

2 The sunset clauses are expiry dates for elements of the agreement, without which Iran would have not agreed to the deal. Paulina Izewicz provides an in-depth explanation of the sunset clauses in her contribution to this volume (p. 26).

3 'Transcript: Trump's Remarks On Iran Nuclear Deal', 13 October 2017. <https://www.npr.org/2017/10/13/557622096/transcript-trump-s-remarks-on-iran-nuclear-deal>

4 Nicole Gaouette, 'Macron will have to 'pull a rabbit out of the hat' to save Iran deal', CNN, 24 April 2018. <https://edition.cnn.com/2018/04/24/politics/iran-lobbying-macron-trump/index.html>

companies doing business with Iran may jeopardize their relations with the United States – and that has a discouraging effect on trade and investment with Iran. Furthermore, the European response to the US demands for ‘a better deal’ may be centred on imposing sanctions on Iran that are not related to the nuclear deal but rather in response to other policies, and that would affect the economic situation in Iran further. There is thus a lack of an expected palpable economic impact of the nuclear deal in Iran that indeed appears to have led to social tensions and possibly also political disagreements among the elites in Iran concerning the wisdom of entering into the deal⁵.

At the time of the writing of this paper, the future of the Iran nuclear deal was difficult to predict. While Europeans appear to be willing to engage with the United States on ways to address issues related to provisions of the Iran nuclear deal and other issues that are outside of the scope of the agreement (such as the ballistic missiles program), Iran has not committed to any such steps, and some speculated that it would not be prepared to accept any such additional limitations. Indeed, Iranian representatives have been quoted as saying that a US withdrawal from the deal would have ‘unpleasant consequences’⁶, which some take to mean that the country would actively pursue nuclear capability as a response.

Other partners in the deal have been hesitant to engage with the US in a way that EU countries do on addressing US grievances. The Russian Federation has been calling on European countries not to dilute the agreement and not to give in to US pressure, assuring them that Iran would not go along.⁷

5 The New York Times Editorial Board, ‘Unrest Shows the Iran Nuclear Deal’s Value, Not Its Danger’, New York Times, 9 January 2018 <https://www.nytimes.com/2018/01/09/opinion/iran-unrest-nuclear-deal.html>

6 Reuters staff, ‘Iran warns of ‘unpleasant’ response if U.S. drops nuclear deal: TV. Reuters’, 19 April 2018. <https://www.reuters.com/article/us-iran-nuclear-usa-deal/iran-warns-of-unpleasant-response-if-u-s-drops-nuclear-deal-tv-idUSKBN1HQ33J>

7 ‘US blackmailing EU on Iran nuclear deal: Russia’, PressTV, 24 January 2018 <http://www.presstv.com/Detail/2018/01/24/550044/Russia->

The European countries' strategy has been so far to attempt to lobby the Congress on the Iran nuclear deal, as well as the Trump administration, arguing that the deal must be implemented and build on and that any other policy would make the nuclear program the centre of attention for the foreseeable future, create regional tensions, and undermine any future attempts at negotiations multilateral agreements with Iran or other countries. At the same time, European countries engage with the US administration at working level to find ways of addressing some of the American concerns. The first such working level meeting, which took place on in March 2018, did not appear as bearing much fruit in light of the fact that President Trump announced the replacement of State Secretary Tillerson just before the meeting. The new designated State Secretary Pompeo was reportedly much more critical of the Iran nuclear deal than Mr. Tillerson. The representative of the US administration during the talks with European countries was also rumoured to be among those who would be replaced under the new State Secretary.

E3 thus also pursued some other channels of communications, such as the French Foreign Minister's visit to Iran in March 2018 and to the US in April of the same year, to affirm European support for the deal, while echoing US positions on Iran's ballistic missile program and role in the region. All along, E3 countries refused to publically discuss a Plan B, in case this strategy failed.

As Jean-François Daguzan argues in this volume, the EU is heavily invested in the Iran nuclear deal. This is the case for a number of reasons- not only do EU countries believe that the deal is good for the non-proliferation regime, symbolical on the need for multilateral approaches and role of diplomacy and arms control and disarmament efforts, but also because of the belief that the deal is helpful in dealing with conflicts in the region as Iran could evolve into a more co-operative player in Syria, Yemen, Iraq or on the Palestine issue. The fight against the ISIS, and energy security issues are also reflected in the European approaches. The European role in the Iran nuclear deal was also showcasing a pro-

[Chizhov-Trump-US-Iran-JCPOA-France-Germany-UK](#)

active role regionally and globally - the deal gave EU foreign policy much needed credibility as an international actor. It also provided prospects for business opportunities. And it provided common ground with Russia.

The Europeans are intent on pursuing political and diplomatic solutions in the Middle East. Much has been written recently about what kind of approach Europeans should use in preserving the deal in face of Trump administration's objections, and Iranian opposition to any changes to it. Simon Gass and Ali Vaez provide some useful evaluations of the European options.⁸

Most recent events however bring into focus the broader picture. Among those events is a meeting of US President Trump with Saudi Arabian Crown Prince Mohammed Bin Salman at the White House in March 2018, during which President Trump lauded huge purchases of US military equipment by Saudi Arabia⁹ and prospects of economic investments by Saudi Arabia in the United States. The visit of the Crown Prince in the United States underlined the strong and growing military, political and economic ties between the US and Saudi Arabia and US strategic interest in them.

One of the major foreign policy issues in the US is the security of Israel in an unstable region, and Saudi Arabian Crown Prince Mohammed Bin Salman (MBS), in an interview in *Time Magazine* provided a much highlighted statement that seems to acknowledge that Israelis have a right to their state (as do the Palestinians)¹⁰.

8 Simon Gass, 'Finding the Sweet Spot: Can the Iran Nuclear Deal be Saved?', *Global Security Policy Brief*, March 2018; Ali Vaez, 'Can Europe Save the Iran deal? Time for It to Consider Plan B', *Foreign Affairs*, January 2018.

9 'Supporting Saudi Arabia's Defense Needs. Fact Sheet', State Department, Office of the Spokesperson Washington, DC, May 20, 2017. <https://www.state.gov/r/pa/prs/ps/2017/05/270999.htm>; Steve Holland, 'U.S. nears \$100 billion arms deal for Saudi Arabia: White House official', *Reuters*, 13 May 2017. <https://www.reuters.com/article/us-usa-trump-saudi/u-s-nears-100-billion-arms-deal-for-saudi-arabia-white-house-official-idUSKBN18832N>

10 *Time Magazine*, 'Crown Prince Mohammed bin Salman Talks to

Asked about common interests with Israel, MBS stated: 'Well, it seems that we have a common enemy, and it seems that we have a lot of potential areas to have economic cooperation. And we cannot have a relation with Israel before solving the peace issue, the Palestinians, because both of them they have the right to live and coexist. And since that day happen, we will watch. We will try to support a peace solution. And when it happens, of course next day we'll have good and normal relations with Israel and it will be the best for everyone.'¹¹ Indeed, significantly in the context of the US position on the Iran nuclear deal, Israel's relations with Saudi Arabia have been quietly improving, with both identifying Iran as a common enemy¹².

Similarly, President Trump emphasizes relations with United Arab Emirates, Egypt and to some degree also Turkey. Together with Israel and Saudi Arabia, this reads like a list of Iran's foes and perceived enemies, and whether intentionally or unintentionally, will increase the pressure on Iran and its concerns about its own security needs. It is thus hardly conducive to any serious negotiations on issues such as Iran's ballistic missile program or sunset clauses in the Iran nuclear agreement.

Thus, although possibly European countries' strategy aimed at

TIME About the Middle East, Saudi Arabia's Plans and President Trump', 5 April 2018.

<http://time.com/5228006/mohammed-bin-salman-interview-transcript-full/>

11 Time Magazine, 'Crown Prince Mohammed bin Salman Talks to TIME About the Middle East, Saudi Arabia's Plans and President Trump', The Time, 5 April 2018. <http://time.com/5228006/mohammed-bin-salman-interview-transcript-full/>

12 Marc Champion, Jonathan Ferziger, and David Wainer, 'Israel, Saudis Find Common Cause in Warning of Iran Expansionism', Bloomberg News, 18 February 2018. <https://www.bloomberg.com/news/articles/2018-02-18/netanyahu-in-munich-speech-urges-west-not-to-appease-iran>; Udi Dekel, Yoel Guzansky, 'Israel and Saudi Arabia: Is the Enemy of My Enemy My Friend?', INSS Insight No. 500, 22 December 2013 <http://www.inss.org.il/publication/israel-and-saudi-arabia-is-the-enemy-of-my-enemy-my-friend/>

maintaining the deal and trying to convince the United States to continue supporting it could work in the short term, one has to raise the question about longer-term prospects. Will Iran, faced with US policies and ties in the region, continue to adhere to the deal in the medium to longer term, irrespective of whether or not the United States remains on board in the JCPOA? The answer to that question is of speculative nature, of course, but it points to the fact that there are currently few (economic, political or security) incentives for Iran to adhere to the deal and even more so, to start negotiating on other issues. Particularly without the support of the United States, the European (and other) stakeholders cannot offer much in that respect to encourage Iran to engage on its ballistic missile program and other issues.

The work currently undertaken by Europeans to find a way out of the impasse on the Iran nuclear deal and convince the United States not to undermine or exit the deal can thus have only short-term impact. In the medium- and long-term, the issue of regional tensions and the US role in the region continues to make the deal an unstable one.

Is there a way out of the conundrum? Can the Iran nuclear deal be saved in the medium and longer-term? It appears that without addressing regional tensions and conflicts, this task will be very difficult, if not impossible. In particular, any sustainable effort to find a way out of the impasse must address the Syria conflict as priority. The conflict, which some are already dubbing a 'potential Third World War'¹³, involves a variety of external players and touches upon security perceptions and interests of Iran, other regional countries, and main international actors. In this context, EU countries that have been involved in negotiating and now trying to salvage the JCPOA, and the EU overall, must develop a proactive conflict resolution (and in time post-conflict rehabilitation) policies to address it. There is a number of other unresolved issues

13 See for example 'Will the tension in Syria lead to a third world war? Trump, the Saudis, and Israel vs. Putin, Iran, and Syria - Will this situation deteriorate into war?', Israel National News, <http://www.israelnationalnews.com/News/News.aspx/244371>

that create an environment not conducive to a constructive way of addressing the Iran nuclear deal situation. To name only a few, the Palestinian question and Israel's security concerns remain a stumbling block. The future of Palestinian leadership succession and future Palestinian policies on Lebanon and Hezbollah may play a role in that respect as well. And lastly, the Iranian-Saudi Arabian animosity itself remains a massive obstacle to achieving a situation in which the Iran nuclear agreement would flourish. As Kinzer argues, 'both countries are the main drivers of sectarian hatred in the Middle East. Some kind of understanding between them is a prerequisite to a calmer Middle East'¹⁴.

There is currently no forum that could address such issues and tensions concurrently and comprehensively and that would give the supporters of the Iran nuclear deal a stage to attempt to address at least some of the aspects. Possibly, the time has come for the E3 countries to nudge their partners and allies towards a more determined and comprehensive way of addressing the problems of the deeply fractured Middle East region.



14 Stephen Kinzer, 'The United States Shouldn't Choose Saudi Arabia Over Iran', Politico Magazine, 4 January 2016. <https://www.politico.com/magazine/story/2016/01/saudi-arabia-iran-213504>