

Europe's Balancing Act on the Nuclear Deal: Wooing Trump Without Losing Iran

European leaders have been assiduous in lobbying Washington on the nuclear deal. But Europe must step up its diplomacy to ensure it does not lose Tehran in the process

By Ellie Geranmayeh

Global Research, May 03, 2018

Region: <u>Europe</u>, <u>Middle East & North Africa</u>,

Theme: <u>Intelligence</u>, <u>Law and Justice</u>

USA

<u>European Council on Foreign Relations 2</u>

will be essential to succeeding in this effort.

May 2018

For much of Iran's political elite, and its overwhelmingly young population, the nuclear deal is becoming a story of failure. This situation risks impacting on Tehran's willingness to engage politically and to reach diplomatic compromises with Western powers. Last week European leaders were in Washington for a last push to keep the United States on board ahead of the 12 May deadline for Donald Trump to issue waivers required under the nuclear deal. During his visit, Emmanuel Macron suggested that the US and Europe could work on a "new deal" with Iran – one which preserves but expands on the 2015 accord. But with Iran kept out of the European-US talks, Hassan Rouhani has questioned the legitimacy of proposals now put forward by Macron and Angela Merkel for Iran to negotiate further deals on its nuclear programme and regional issues. In the process of wooing Washington on this

bigger and better deal, Europe must ensure it does not end up losing Tehran, whose buy-in

Iran's rethink on Europe

Despite increasing pressures coming from Trump, Iran has continued to fulfill its part of the deal, as verified by the International Atomic Energy Agency 11 times since the deal was implemented in January 2016. Iran has waited to see what actions Trump would take and carefully assessed the ability and willingness of Europe to safeguard the nuclear deal. In October, Tehran sent out clear signals that it would consider sticking to the deal so long as Europe, China, and Russia could deliver a package that served Iran's national security interests. But as talks between the US and the EU3 (Germany, France, and the United Kingdom) have stepped up over the last few months, Iranian thinking on European positioning has begun to sour.

Officials and experts from Iran, interviewed on condition of anonymity over the past month, outlined a growing perception inside Tehran that Europe is unable and/or unwilling to deliver on the nuclear agreement without the US. Even those who defend the nuclear deal inside the country are finding it difficult to continue to do so, not just because of Trump but also because of European tactics, which one Iranian official described as "appeasement by Europe to reward the violator of the deal and Iran's expense".

This perception has contributed to considerably hardened Iranian rhetoric in recent weeks around a possible US withdrawal. The secretary of Iran's Supreme National Security Council

(SNSC), which includes the most important decision-makers inside the country, warned that Iran may not only walk away from the nuclear deal, but also withdraw from the Non-Proliferation Treaty. Such public statements from senior figures signal that a rethink may be taking place over Iran's foreign policy orientation and openness to engaging with the West. Decision-makers in Europe should be alert to the gravity of such political shifts.

Keeping Iran on board

Iranian officials have repeatedly outlined that Iran will abide by the nuclear deal so long as the US does not violate the agreement. If Europe wants to keep Iran on board with the agreement in the scenario where Trump does not issue the sanctions waivers required, or to even sell a new European-US framework to Iran, it will need to shore up its fast-diminishing political capital with Tehran. While Macron's hour-long call with Rouhani on Sunday was a good start, greater activity is urgently needed.

First, Europeans should seek to alleviate growing Iranian fears that the price of saving the deal will be a wider "pressure package", one which returns their relations to the pre-2013 policy of isolation and sanctions. While the focus is understandably now on securing ongoing US support for the deal, the EU3 should not neglect the fact that any new framework agreed will require at least some Iranian buy-in to make it workable. In the current political climate in Iran, this is not a given.

As such, the EU3 should, as a unified coalition, work at the highest level with Iran's foreign ministry to shore up confidence regarding the nuclear deal. In advance of the 12 May deadline, if it looks increasingly likely that Trump will not waive sanctions, the newly appointed German foreign minister should follow up on Macron's call to Rouhani with a visit to Tehran to meet with their Iranian counterpart and consider contingencies (some measures for which are outlined below).

Second, EU member states should delay the prospect of new sanctions targeting Iranian regional behaviour, at least until firmer guarantees are in place regarding Trump's decision on the nuclear deal. The timing of such sanctions has reportedly been the topic of heated debate among the 28 member states. At a minimum, the countries supporting such measures should step up their public messaging to communicate the reasons and the targeted nature of new sanctions, including a commitment that these are not the start of more far-reaching sanctions that will hurt the wider Iranian economy. This is particularly the case with Iran's private sector, which constantly meets new hurdles placed in its way when seeking to do business with Europe.

Third, European governments should double down on efforts to maintain Iranian compliance to the nuclear deal if Trump fails to renew waivers due on 12 May. Such action by the White House would result in the snap-back of US secondary sanctions and are likely to be viewed in Tehran as significant non-performance of the nuclear deal. Europe will need to coordinate with Russia and China to persuade Iran to continue adhering to its nuclear obligations, at least for a period of time. The exhaustion of the dispute resolution mechanism under the nuclear deal can buy time (estimated to be between 2-3 months) for contingency planning while allowing Iran to save face.

In this scenario, European governments will need to convince the US that it will be in their mutual interest to agree on an amicable separation on the nuclear deal. Europeans will need

to argue that such a settlement would allow Trump to claim victory with his base for withdrawing US participation in the JCPOA, while avoiding deeper damage to transatlantic relations and possibly maintaining Europe's quiet compliance on regional issues. This path should also allow the US to reverse its course (Europeans should continue to encourage such a reversal, whatever the 12 May decision).

As part of this contingency plan, to keep Iran on board Europeans will need to offer some degree of economic relief. It will be critical to reach a pan-European deal with the Trump administration to limit the extent to which the US secondary sanctions that may snap back are actually enforced by US regulators. This should include a series of exemptions and carve-outs for European companies already involved in strategic areas of trade and investment with Iran, with the priority being to limit the immediate shock to Iranian oil exports.

European governments should further make a strong case to the Iranian government and public as to why the nuclear deal can continue to serve Iran's security and economic interest even without the US. They should emphasise the immediate economic benefits of continued oil exports to Europe and possible longer-term commitments for investments in the country. Sustained political rapprochement between Europe and Iran could also influence Asian countries that closely watch European actions (such as Japan, South Korea, and India) to retain economic ties with Iran.

Finally, regardless of the fate of the nuclear deal, Europe should keep the pathway open for regional talks with Iran. Germany, France, the UK, and Italy should establish and formalise a regular high-level regional dialogue with Iran that builds on those held in February in Munich. It is a positive sign that a second round of such talks is reportedly due to be held this month in Rome. Such engagement will become even more important if the US withdraws from the nuclear deal, increasing the risk of regional military escalation that is already surfacing between Israel and Iran in Syria. Europeans should focus these talks on damage limitation and de-escalation in both Yemen and Syria, to help create an Israeli-Iranian and Saudi-Iranian modus vivendi in both conflict theatres (something which the US seems uninterested in).

Ultimately, Iran's willingness to implement any follow-up measures on regional issues will be heavily influenced by the fate of the nuclear deal and how the fallout over Trump's actions is managed. Europe may well not be capable of salvaging the deal if the US withdraws from or violates it. But Europe must at least attempt to do so and demonstrate its political willingness through actions that serve as a precedent for the international community. To do otherwise is likely to have an immediate and consequential impact on Iranian foreign policy and significantly reduce Europe's relevance for the Iranian political establishment. For Iran's youth, as the largest population bloc in the country, this will be an important experience in how far Europe is willing to go in delivering on its promises to defend the nuclear deal, whose collapse would affect the Iranian psyche and domestic political discourse for years to come.

*

Ellie Geranmayeh is senior policy fellow for the Middle East and North Africa Programme at the European Council on Foreign Relations. She focuses on European foreign policy in relation to Iran, particularly on the nuclear and regional dossiers.

Comment on Global Research Articles on our Facebook page

Become a Member of Global Research

Articles by: Ellie Geranmayeh

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca