

# State of play of EU-Iran relations and the future of the JCPOA



## IN-DEPTH ANALYSIS

# State of play of EU-Iran relations and the future of the JCPOA

### ABSTRACT

The Joint Comprehensive Plan of Action (JCPOA), spearheaded by the European Union (EU), was a successful multilateral non-proliferation agreement. The hope was that it would also pave the way for dealing with other outstanding issues over which the EU and United States (US) were at loggerheads with Iran. Instead, with the election of President Trump, the main focus has been to save the JCPOA. As Iran has decreased its compliance with the deal and regional friction has intensified, particularly as a result of the US maximum pressure campaign, the EU has faced increasing challenges to maintain a working relationship with Tehran and to pursue its strategic objectives on Iran – a tall order even in more conducive circumstances.

While the outcome of the US presidential elections in November 2020 will affect developments thereafter, the EU should shape its policy independent of a return to constructive multilateralism in Washington. It must further develop its strategic autonomy, enhance and expand its interaction with Tehran to ensure the JCPOA's survival, while also taking a more proactive role in mitigating and mediating conflicts in the region.

---

This paper was requested by the European Parliament's Committee on Foreign Affairs  
English-language manuscript was completed on 30 October 2020.

© European Union, 2020

Printed in Belgium.

Authors: Rouzbeh PARSI, Head of MENA Programme, Swedish Institute of International Affairs, Sweden

Aniseh BASSIRI TABRIZI, Senior Research Fellow, Royal United Services Institute, United Kingdom

Coordinator: Trans European Policy Studies Association (TEPSA), Belgium

Official Responsible: Michal JIRACEK

Editorial Assistants: Kristine SPROGE and Grégory DEFOSSEZ

Feedback of all kind is welcome. Please write to: [michal.jiracek@europarl.europa.eu](mailto:michal.jiracek@europarl.europa.eu).

To obtain copies, please send a request to: [poldep-expo@europarl.europa.eu](mailto:poldep-expo@europarl.europa.eu)

This paper will be published on the European Parliament's online database, '[Think tank](#)'.

*The content of this document is the sole responsibility of the authors and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.*

ISBN: 978-92-846-7400-8 (pdf)

ISBN: 978-92-846-7399-5 (paper)

doi: 10.2861/292104 (pdf)

doi: 10.2861/015307 (paper)

Catalogue number: QA-04-20-640-EN-N

Catalogue number: QA-04-20-640-EN-C (paper)

## Table of contents

Executive summary	v
1 Introduction	1
2 Methodology and sources	1
3 EU's interests and foreign policy objectives on Iran	2
4 The current state of affairs	3
4.1 Effects of the JCPOA	3
4.2 The return of US sanctions and maximum pressure	4
4.3 The fallout of the crises and EU strategic autonomy	5
4.4 The Iranian nuclear programme: non-compliance, symbolic acts and actual repercussions	7
5 Regional confrontations: Iran's regional role	8
5.1 Confrontations with Saudi Arabia, the UAE and the US	8
5.2 Low intensity war becoming hot: Strait of Hormuz and Iraq	10
5.3 Allies and tinderboxes: Yemen, Syria, Iraq, Lebanon, Afghanistan	11
6 Iranian capabilities and threat perceptions	12
6.1 Missile and hybrid warfare capabilities	12
6.2 Covert operations in the EU	14
7 Occasional partners, never allies: Russia and China	14
8 Domestic picture	17
8.1 The state of Iran's economy: the triple crisis of sanctions, drop in oil prices and COVID-19	17
8.2 The domestic balance of power: the economic and political power of the IRGC	18
8.3 The human rights situation	20

9	How to move forward – policy options and recommendations for the EU	22
9.1	What can the EU do to uphold the JCPOA and what effect does its economic relationship have with Iran?	22
9.2	Regional behaviour	23
9.3	Ties that bind: broad and critical engagement, trade and human rights	24
	Bibliography	25

## Executive summary

This study explores EU-Iran relations, focusing in particular on the last three years and how the US policy on Iran has affected Europe's ability to meet its strategic objectives.

It argues that the EU has maintained its approach in prioritising engagement and critical dialogue with Iran not only to prevent the country from developing nuclear weapons, but also to avoid a war in the region. The nuclear deal was largely seen by Europe as an opportunity to meet these objectives, while at the same time paving the way for bilateral discussion with Iran on a wide range of topics that are of concern for the EU, including human rights and regional developments, but had been suspended for more than a decade due to the nuclear crisis. The adoption of the maximum pressure campaign by the US, however, has meant that the EU has faced significant challenges in meeting its objectives on Iran.

Despite these expectations, it has been forced to invest most of its political capital in the nuclear issue, striving to preserve the deal with Iran, despite the existential threat posed to it by the United States. This has come at the expense of sectoral cooperation with Iran on other issues, such as human rights, economic cooperation, regional issues and civil nuclear cooperation, all of which have also been severely impacted by US sanctions. Despite measures undertaken over the past two years, Europe has thus faced enormous challenges in implementing its strategic autonomy when it comes to trading with Iran and abiding to its obligations under the nuclear deal.

The lack of incentives provided to Iran by Europe following the US withdrawal and the need for Iran's government to increase its negotiating leverage, led to adoption of the less-for-less strategy in the nuclear realm. Despite worrying nuclear activities having been reprised over the past year, these are still well below pre-JCPOA levels and indicate that, for Tehran, these steps are reversible in the event of a full return by all signatories to the agreement, or new negotiations.

Meanwhile, Iran has adopted a maximum resistance approach in the region by way of response to US pressure. This has led to growing tensions in the Persian Gulf and Iraq between Iran and the US (as well as its regional allies), with a cold war being fought in which neither side wants to escalate, yet both want to demonstrate their deterrence capability.

Rather than containing Iran's activities in the region, particularly on the nuclear front, maximum pressure has, therefore, heightened the friction between the actors. Despite the economic challenges faced by the country, hit by sanctions as well as COVID-19, Iran has thus continued to rely on, and support, its network of armed groups in the region (in Iraq, Syria, Lebanon, Yemen and Afghanistan) but also invest in hybrid warfare capabilities, including by introducing new ballistic missile technologies which have increased the concerns in European capitals. These steps are viewed in Tehran as necessary to pursue its forward defence policy and address the perceived security threat posed by the United States and its allies in the region. This threat has also led to the strengthening of hardliners and the Revolutionary Guards in Iran, which in turn has brought about a worsening of the country's human rights situation, especially but not only when it comes to the treatment and imprisonment of dual citizens in Iran. The empowerment of the hardliners has also weakened the more moderate agenda being promoted by the government, especially when it comes to ties with the West.

An unintended consequence has been a growing tendency by Iran to look East, particularly towards Russia and China. While relations with these two countries cannot be described as strategic partnerships, they could present a potential headache for European capitals in terms of security concerns and strategic objectives in the future.

The prospects for de-escalation, or for an agreement, between the United States and Iran before the US Presidential elections in November would thus appear to be slim. Hence, both Iran and the EU will be inclined to buy time so as to avert a collapse of the JCPOA or unexpected military escalation in the region.

However, in the interim the EU should take the following steps to ensure its strategic objectives on Iran are met, at least in the short term and hopefully for longer:

- Declare its continued commitment to the JCPOA, sending a clear message to Tehran that the EU will not align with the US in its maximum pressure campaign.
- Coordinate closely with Russia and China, especially within the United Nations Security Council (UNSC), to ensure survival of the JCPOA.
- Formulate strategies for both potential outcomes from the US election in November 2020, engaging with both sides of the political spectrum in Washington.
- Maintain a united front within Europe regarding Iran's disruptive behaviour, including the adoption of sanctions when these are perceived as meeting the intended strategic objectives.
- Reprise the E4 dialogues, despite challenges and notwithstanding prioritisation of the nuclear dossier.
- Reinvigorate the Maritime initiative and also translate it into political strategy with the objective of establishing a regional security framework.
- Continue prioritising a constant albeit critical dialogue, striving to maintain a distinct approach towards Iran, no matter what US policy presents, and aiming at building mutual trust as well as understanding.
- Strive to expand topics of discussion beyond the nuclear dossier, ensuring a communication channel is maintained even at the most challenging of times and solving potential looming crises by diplomatic means, thereby reducing the chances of Iran taking up a confrontational posture towards the West.
- Continue to bolster economic ties and seek strategic autonomy, mindful not only of issues to do with Iran, but also any potential disagreements with the US which may emerge in the future.
- Establish a timeline within which institutional and people-to-people linkages grow, thereby enhancing the EU's ability to make itself understood and heard in Tehran.

## 1 Introduction

Iran is a complex country with a political system comprising many different groups and institutions. Neither foreign nor domestic policy is determined in a transparent or straightforward manner and as a post-revolutionary state, it also contains many fissures (class, gender, generation) that are not easily defined in ideological terms. Any analysis that speaks of a 'regime' misses vital nuances in how this bewildering machinery works, or more often than not, merely muddles through.

The EU's interests in Iran have remained the same for a long time, with a focus on nuclear issues and peace in the region. The nuclear agreement in 2015 between E3+3 and Iran stands out as a landmark achievement for multilateralism and the EU's efforts to resolve through peaceful negotiations a brewing conflict which could have led to potentially catastrophic consequences. It was also the result of costly trial and error in trying to enter into negotiations and build the necessary trust which would eventually lead to the signing of an agreement, confident that all parties would honour their commitments.

However, over the past three years the situation has deteriorated significantly. Under President Trump's leadership the United States withdrew from the agreement and attempted to undermine remaining signatories' ability to keep it alive. Iran in turn responded by adopting a less-for-less approach, breaching the agreement in a way that, so far, does not constitute a race towards the manufacturing of a bomb, but nonetheless puts the EU in a difficult position.

This development and the ensuing growing instability in the region point to the need for a more comprehensive approach. The nuclear agreement cannot survive on its own; the EU's political will to save it does not suffice and hence sufficient institutional autonomy needs to be built along with follow up action, which will make the agreement politically viable. The region needs detente, based not on further arms parity, but rather a deeper understanding of what makes peace that is centred on human protection rather than hard security.

From an EU perspective, the Middle East is part of its neighbourhood and accordingly developments in the region have direct security implications. It must therefore have a proactive approach to the region's problems and conflicts, within which for good or worse Iran plays an important part. The longstanding, albeit at times rocky, relationship with Tehran has allowed the EU to maintain a dialogue that has always been far better than any alternatives. As Russia and China assert themselves in the region to a greater degree and tensions with the US remain high, being able to maintain a critical but necessary dialogue with Iran remains in the EU's strategic interests. Iran is not always an easy or pleasant interlocutor, but in many ways rather one that is unavoidable.

## 2 Methodology and sources

Structural aspects of this study have been addressed by using a mix of primary and secondary sources. The former comprise official documents or statements issued by the Council of the EU, the European Commission, the European External Action Service (EEAS), the European Parliament, the E3, the US, Iran, the International Atomic Energy Agency (IAEA) and the UNSC. Secondary sources include academic writings, think tank papers and newspaper articles, with the last being used almost exclusively to triangulate information. Both authors, who have significant experience on EU-Iran relations, also conducted several background conversations with relevant EU officials, mainly over the phone or via email given COVID-19 restrictions, with a focus on the research questions. The aim of these conversations was to fill the gaps in existing literature and secondary sources so as to understand the potential scenarios, options and views on the current situation. Because of sensitivity issues, the sources have not been attributed, but the information gathered has been indirectly included in our report where supported by open-source evidence.

The authors also drew on their network of experts and academics based not only across the EU, but also in Iran and the United States in order to gather views from critical observers with long experience of the EU-Iran relationship or corollaries thereof, testing some of the preliminary findings and triangulating information reported in secondary sources and collected throughout the background discussions.

### 3 EU's interests and foreign policy objectives on Iran

For the past three decades, the EU has been involved in positive engagement and constructive dialogue with Iran, making efforts to pave the way for closer economic and political ties between the two sides, given the country's regional importance (Council of the European Union, 1992; European Commission, 2002; Adebahr, 2017). Over time, dialogue between the two sides has covered issues such as human rights, terrorism, nuclear proliferation and drug trafficking, with the aim of promoting reform within the country, so as to increase the chances of change in Tehran's regional policies. Discussions have also covered economic ties, which especially in 2002 were due to be expanded, following the European Commission's initiation of negotiations on a Trade and Cooperation Agreement (TCA) (European Commission, 2005). However, this process was stopped due to the conflict over Iran's nuclear programme and following an escalation of tensions, TCA negotiations have not been resumed.

When the nuclear crisis erupted in 2003, the EU could look back to a decade of relatively good relations, institutional dialogue on different topics and bilateral economic engagement with Tehran. Regrettably, thereafter the EU's priorities on Iran shifted almost exclusively to preventing the development of nuclear weapons and avoiding war in the region (Alcaro and Bassiri Tabrizi, 2014).

For more than a decade between 2003 and 2015, while negotiations on the Iranian nuclear programme took place between the E3 (France, Germany and the United Kingdom), the EU and Iran (with the addition of the US, China and Russia from 2006 onward), the nuclear file constituted the only matter on which cooperation and communication between Europe and Iran took place. Issues such as human rights, terrorism, trade and proliferation, which were previously part of engagement between the two sides, were at least temporarily omitted from the agenda (Bassiri Tabrizi, 2015).

The JCPOA, announced on 14 July 2015 and subsequently endorsed unanimously by the United Nations (UN) Security Council (Resolution 2231), thus represented a significant opportunity in the EU's eyes not only to address both of its main priorities, but also re-open engagement with Tehran on issues other than the nuclear programme. As stated by the former EU High Representative, Federica Mogherini, the JCPOA enabled bilateral discussion with Iran on a wider range of topics thanks to Europe's 'long tradition of cultural and economic relationship with Iran' (Mogherini). In fact, the JCPOA was deemed 'a notable achievement for multilateral diplomacy and for European diplomacy in particular, which should not only make a substantial improvement in EU-Iran relations possible but also help to promote stability across the whole region' (European Parliament, 2016).

Soon after agreement was reached, Mogherini established the Iran Task Force in the EEAS, which aimed to 'coordinate the different strands of action of all Iran related issues, in particular the implementation of the JCPOA, the development of bilateral relations, including the establishment of an EU representation, and exploring ways for a more cooperative regional framework' (European Parliament, 2015).

The Task Force succeeded, especially during 2015-2018, in increasing the number and range of meetings with Iranian counterparts, to discuss issues such as human rights (see section 8.1), bilateral ties (see sections 4.3 and 6.2)<sup>1</sup> and regional developments (see section 5.3) for the first time in many years. In 2016, Mogherini and the Iranian Foreign Minister Javad Zarif agreed on sectoral cooperation, identifying several areas on

<sup>1</sup> For the areas identified as priorities by the EU and Iran in their bilateral discussion, see European Commission, 'Joint statement by the High Representative/Vice-President of the European Union, Federica Mogherini and the Minister of Foreign Affairs of the Islamic Republic of Iran, Javad Zarif', [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_16\\_1441](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_16_1441).

which discussions were going to take place over time, including human rights, economic cooperation, energy and climate change, regional issues and civil nuclear cooperation and many others (European Commission, 2016). The European Parliament reached similar conclusions on the need for a strategy in its 2016 report (European Parliament, 2016).

While engagement on most of these areas has continued, progress on these issues has been limited because of the nuclear file's prioritisation (see below) as well as the impact of US sanctions (see section 4.2). Despite attempts, little has been achieved in regard to the opening up of an EU delegation in Iran<sup>2</sup> or the establishment of a regional framework.

As discussed later in this study, the reason for this slow progress was initially linked to Iran's domestic developments (see section 8), but since 2017 the primary issue has been the existential threat posed to the JCPOA by US policy towards Iran. This has inevitably led to the E3 and the EU investing most of their political capital in preserving the deal at the expense of other topics, given that the JCPOA is still considered 'a historic multilateral achievement for global nuclear non-proliferation' which 'is contributing to regional and global security' (European Union External Action, 2020a).

Europe's focus on the nuclear dossier over the past three years has thus been driven not simply by an attempt to defend one of the EU's main foreign policy achievements, but rather by the same priorities which have shaped Europe's strategic goals towards Iran since 2003. EU capitals believe that only by preserving the agreement can non-proliferation concerns linked with Iran be addressed, while also avoiding war in the Middle East – a prospect which seemed especially likely in late 2019 and early 2020 (see section 5). Only when these concerns are addressed, as was the case in 2015, can the EU have room for manoeuvre in discussing and making progress on other dossiers with Iran.

Hence, given that over the past three years the E3 and EU have had to prioritise preservation of the nuclear deal despite an antagonistic US policy, it has been challenging to pursue other issues in line with the overarching European strategic goals vis-à-vis Iran.

## 4 The current state of affairs

### 4.1 Effects of the JCPOA

For Tehran, the JCPOA offered a prospect of being able to trade freely with the world (EU in particular) and thereby resuscitate the severely dysfunctional Iranian economy (see section 8.1). While trade started to pick up once the agreement had been signed<sup>3</sup>, it soon became clear that there were also significant obstacles to overcome because of the domestic structural issues discussed in section 8.1 and the resistance demonstrated by some US institutions (Congress and the US Treasury in particular) to facilitate trade with Iran, in line with the agreement's provisions.

The Obama administration resorted to using executive waivers to exempt trade from the existing sanctions regime (renewed every 90 or 180 days), thus leaving a significant amount of uncertainty for businesses, with US Treasury officials actively discouraging doing business with Iran or failing to provide clear guidelines as to when this would be considered legitimate (International Crisis Group, 2018). Furthermore, because of US sanctions' nature, which apply to third countries and entities (including those in Europe), EU businesses largely refrained from investing in Iran, wary of US penalties even when the trade was legal

<sup>2</sup> Primarily due to resistance from hardliners and the security establishment in Iran who do not want a unified permanent EU presence in the country.

<sup>3</sup> Joint Comprehensive Plan of Action, Vienna, 14 July 2020, [http://eeas.europa.eu/archives/docs/statements-eeas/docs/iran\\_agreement/iran\\_joint-comprehensive-plan-of-action\\_en.pdf](http://eeas.europa.eu/archives/docs/statements-eeas/docs/iran_agreement/iran_joint-comprehensive-plan-of-action_en.pdf);

for a short overview of key points see 'The Joint Comprehensive Plan of Action (JCPOA) at a Glance', Arms Control Association, May 2018, <https://www.armscontrol.org/factsheets/JCPOA-at-a-glance>.

according to EU law. Thus, foreign direct investment in Iran was slow and far from the level that Tehran had envisaged (Parsi, 2016).

In political terms, besides having non-proliferation concerns addressed (see section 4.4), the JCPOA's key objective was to generate enough trust to constitute a stepping stone for discussions between the US/EU and Iran on other thorny issues. Topics such as Iran's missile programme together with support for various armed groups and political parties in the region are contentious issues as they pertain to what Tehran considers to be its strategic interests and defence doctrine (see sections 5 and 6). Nonetheless, with enough time to build trust among the parties, the JCPOA could also have generated momentum to address such matters.

Because of the new US administration's policy (see section 4.2) and the JCPOA's unintended internal consequences for Iran (see section 8.2) along with regional competitors (see section 5), the agreement did not lead to progress on other dossiers. Nevertheless, this still stands as an important non-proliferation achievement and the best framework within which to undertake further constructive engagement with Iran. Both the process running up to successful conclusion and the agreement's subsequent fate provide useful lessons in how the EU should pursue multilateralism and its foreign policy objectives.

## 4.2 The return of US sanctions and maximum pressure

As early as his presidential campaign, Donald Trump was already severely criticising the JCPOA for being flawed and argued that he would scrap the agreement or at least renegotiate its terms once in power. In October 2017, Trump refused to certify that Iran was adhering to the JCPOA and asked Congress to consider the application of new sanctions on Iran. In January 2018, he gave the E3 an ultimatum to 'fix' the deal, otherwise the United States would withdraw from it. The E3 thus worked closely with senior American officials for three months to address the deal's perceived flaws, hoping that this would convince the US to remain a party to the JCPOA (Davenport, 2018). However, despite the progress made on most matters discussed (US Department of State), on 8 May 2018 Trump announced not only the US withdrawal, but also the reinstatement of all sanctions together with new measures against Iran (New York Times, 2018). For the E3/EU, this was the first indication that transatlantic cooperation on Iran was not going to be a feature of the Trump administration's policies.

Throughout 2018 and 2019 the United States levied more sanctions on Iran and increased pressure on its trading partners to minimise or terminate their economic relationships. In particular, suspension of the waivers to export oil (significantly important for Iran's economy, as discussed in 8.1) and enriched nuclear material (ensuring that Iran cannot embark on a process of producing nuclear weapon grade fissile material) in late spring 2019, made clear that the Trump administration was more interested in breaking Tehran than safeguarding non-proliferation.

Sanctions adopted by the US jeopardised sectoral cooperation between the EU and Iran on several issues. For instance, the EU intervened in implementing a civil nuclear cooperation package with Iran worth around EUR 10 million and engagement on this issue was positive (Lechner, 2019); however, the US decision to suspend waivers on nuclear cooperation directly affected the EU's ability to safeguard the exclusively peaceful and safe nature of Iranian nuclear activities (EEAS, 2020; Immenkamp, 2020). Following pressure exerted to impose sanctions on Mahan Air, because of its alleged support for the activities of the Revolutionary Guards, some European capitals (Germany, France, Spain and Italy) also took measures to ban the airline from accessing their airports. Sanctions have also limited the EU's attempts to provide Iran with humanitarian aid (see also section 4.3). While in response to COVID-19 the EU has granted EUR 20 million in humanitarian aid to Iran, it has also supported Tehran's request to the International Monetary Fund for a USD 5 billion emergency loan – a request that has so far been blocked by the United States, leading to European criticism (Emmott, 2020).

America's policy, dubbed the maximum pressure campaign, has had the stated objective of either forcing Iran to negotiate a new agreement under duress or create enough economic and social hardship in the country to destabilise the state and thus pave the way for popular insurrection (see section 8.1). The ongoing campaign has produced an enormous negative impact on the Iranian economy and concomitant hardship for the population, but has not deterred Tehran from pursuing its nuclear programme or its regional interests (see sections 4.4, 5 and 6.1) (Vogt & Jalilvand, 2019). Indeed, contrary to US expectations, greater economic pressure has increased Tehran's determination to show Washington that it can strike back against US regional interests. Deterioration in the JCPOA's performance has made Tehran more rather than less willing to confront the United States.

At various points, Trump himself has indicated that he is willing to negotiate with Tehran even without preconditions, but it is doubtful that his whole cabinet would support such action (Secretary of State Pompeo and John Bolton, when he was National Security Advisor, were clearly not interested in unconditional talks) (Toosi, 2020). As was the case with North Korea, Trump seems primarily interested in the spectacle of media centred negotiations (in essence a photo opportunity) rather than proper meaningful negotiations. Tehran has in turn occasionally signalled that it is willing to talk to Washington but demands that the United States re-joins the JCPOA with all its accompanying commitments before any new negotiations can take place. This was the basis of a plan that French President Macron initiated in summer 2019, but due to the general lack of trust between Washington and Tehran, this initiative did not yield tangible results.

Prospects for the two sides to engage in an effort to de-escalate tensions over the next few months reduced even further after the US submitted notification to the UNSC to trigger sanctions 'snapback' against Iran. This move was promptly rejected by all other remaining parties to the JCPOA and subsequently dismissed by the Security Council (Atwood, 2020). The E3 and the High Representative, Josep Borrell, issued statements in which they defined the move as 'incompatible with our current efforts to support the JCPOA', stressing their reliance on 'dialogue between JCPOA participants' together with the processes and institutions which constitute the foundation of multilateralism, highlighting, yet again, the transatlantic divide on Iran (Foreign and Commonwealth Office, 2020b; European Union External Action, 2020b).

Realistically, there is little hope that Iran and a Trump administration will reach agreement or de-escalate tensions over the coming months. However, this situation might change following the US elections in November, depending on who will be in power thereafter. Meanwhile, an indirect war is being fought between the two parties. The US is trying to destroy the Iranian economy whilst bolstering the interests of Saudi Arabia, United Arab Emirates (UAE) and Israel in confronting Iran. Tehran, in turn, is shoring up allies and operations in Iraq, Lebanon, Syria and Yemen, in an attempt to increase its leverage, thereby demonstrating that maximum pressure is failing to produce the intended results.

### 4.3 The fallout of the crises and EU strategic autonomy

In practice the interwoven nature of EU-US economic ties has rendered attempts to uphold, let alone expand, trade with Iran very difficult. Trade is a vital aspect of the JCPOA's reciprocal mechanism. However, the European business community, for obvious reasons<sup>4</sup>, care more for the much larger US market than Iran's, fearing the fines imposed by the US government for conducting what in Europe is perfectly legitimate business with Iran. Thus, the Union's attempt to convince the business community that it can

<sup>4</sup> In 2019, the United States was the EU's largest goods export partner (EUR 384 billion) and the second highest import partner (EUR 232 billion). See [https://ec.europa.eu/eurostat/statistics-explained/index.php/US-EU\\_-\\_international\\_trade\\_in\\_goods\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/US-EU_-_international_trade_in_goods_statistics). In contrast, in 2019 the EU exported goods for EUR 4.4 billion and imports for EUR 680 million with Iran. See [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_iran\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_iran_en.pdf).

pursue trade with Iran with EU political and legal support has not achieved the intended results. The first step was a blocking statute, intended to deter EU companies from leaving or engaging with Iran due to US sanctions by imposing penalties<sup>5</sup>. However, this step proved to be more symbolic than effective. The next initiative was creating a trade transaction mechanism (special purpose vehicle) that would allow for trade capital to be paired off between Iran and the EU countries willing to join the institution (Winter, 2019). In essence the Instrument in Support of Trade Exchanges (INSTEX) is intended to allow EU and Iranian companies to conduct trade without transferring any money between Members States and Iran. This is necessary in order to bypass US sanctions and to address the fact that the Society for Worldwide Interbank Financial Telecommunications (SWIFT) under US pressure yet again had excluded dozens of Iranian banks from its international banking system. The operationalisation of this instrument, though, has been very slow, with its announcement taking place in 2018 and its creation in January 2019. Furthermore, EU participating countries were adamant from the outset that it would be used only for humanitarian trade (medicine and food) – in essence complying with a general Office for Foreign Asset Control (OFAC) licence that is ostensibly allowing for this kind of trade with Iran. Thus, for now the instrument designed to demonstrate EU autonomy is not challenging US sanctions regulations. To date, INSTEX has managed only one single transaction with its Iranian corresponding institution, the Special Trade and Finance Instrument (STFI), which involved the sale of EUR 500 000 worth of medicine by a private company in Germany to a firm in Iran during the first COVID-19 outbreak.

The strategic autonomy, initially pertaining to defence, as envisioned in the Global strategy document (European Union External Action, 2016) from June 2016, has proven difficult to accomplish. This was and remains an idea that the EU should be able to pursue a foreign policy according to its own interests and follow this up with trade and other instruments aimed to reinforce political ambitions and goals. Strategic autonomy is primarily about being able to identify and pursue foreign policy goals, to which extensive fields of action are attached.

One such essential dimension is the ability to conduct trade, which aside from its inherent value, is an instrument for buttressing and building political relationships. The present global financial system results from an alliance between Western Europe and the United States after the Second World War, within which for a long time it was more implicit than explicit that the US would be the driving force in devising its architecture, thereby forming the system's political and financial centre. Following the Soviet Union's dissolution, the use of sanctions as an easy and relatively pain-free (for the sanctioning party) trade and foreign policy tool increased markedly<sup>6</sup>. As long as EU and US foreign policies more or less aligned, any imbalance in how the financial system could be wielded as a foreign policy tool remained somewhat obscured. However, today the Trump administration is not only implementing a policy which is misaligned from that in Europe but is also actively trying to undermine the EU's strategic objectives regarding Iran.

Hence, the EU's rhetorical support for this agreement has been strong, but concrete action has been less visible. Former High Representative Mogherini has adamantly defended the JCPOA and tried in various ways to shore up support for the agreement in an attempt to show Tehran that the EU is standing fast. The E3 has also tried to defend this agreement despite various undermining attempts by the Trump administration. High Representative Josep Borrell has tried to maintain the course set by his predecessor, but at present very little trade remains (Financial Tribune, 2020b). The situation has become even more

<sup>5</sup> Commission Delegated Regulation (EU) 2018/1100 of 6 June 2018 amending the Annex to Council Regulation (EC) no 2271/96 protecting against the effects of extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom. C/2018/3572.

<sup>6</sup> During the 1990s Russia was relatively weak and the UN Security Council enacted more sanctions regimes than ever before. It was also considered a less violent and dangerous instrument than war - in itself a highly problematic calculation. See Special Issue: 'The United Nations at 70', *International Affairs* volume 91 no. 6, 2015; Joy Gordon, 'Smart sanctions Revisited', *Ethics & International Affairs* no. 3 vol. 25, 2011; Grégoire Mallard, Farzan Sabet and Jin Sun, 'The Humanitarian Gap in the Global Sanctions Regime. Assessing Causes, Effects, and Solutions', *Global Governance* vol. 26, 2020.

difficult as the Rouhani administration has adopted a less-for-less strategy on its nuclear enrichment commitments under the JCPOA (see section 4.4). This strategy has two aims, both related to the effects of US sanctions: alleviate the domestic pressure against the government as the economy deteriorates; and push back against the EU for its inability to maintain trade with Iran.

#### 4.4 The Iranian nuclear programme: non-compliance, symbolic acts and actual repercussions

Despite the US withdrawal from the JCPOA, Iran initially continued to abide by its obligations under the deal, as confirmed by the IAEA's quarterly reports. However, on 8 May 2019, following the US decision to suspend oil sanctions waivers, Tehran announced that it would gradually reduce its compliance with the terms of the deal, in what has been defined as a 'less-for-less' approach.

Until May 2019, Iran was still able to sell some of its oil to countries such as China, India, Japan, South Korea and Turkey despite the US embargo, but the suspension of waivers curtailed this trading, resulting in a loss of much needed export revenue and thus further damaging an already broken economy. Accordingly, Iran decided to change its approach from strategic patience to maximum resistance. Based on the JCPOA's text, Tehran argued that it could incrementally cease to honour its commitments in response to the US withdrawal and reintroduction of nuclear-related sanctions without leaving the deal's nuclear framework (Supreme National Security Council, 2019). This gradual non-compliance could then be reversed if the remaining signatories would honour the JCPOA and compensate for US withdrawal from the agreement.

Every 60 days, Iran made an announcement about the type of activities it would undertake to reduce its compliance with the deal. Finally, on 5 January 2020 it was stated that Iran would no longer face any operational restrictions 'including enrichment capacity, percentage of enrichment, amount of enriched material, and research and development' (Mehr News Agency, 2020).

The less-for-less approach (which has been rejected by the E3) and the nuclear activities taken by Iran over the past year have raised significant concern across E3 and EU capitals (German Federal Foreign Office, 2020). On 14 January this year, a few days after Iran's latest announcement, the E3 decided to refer this issue to the Dispute Resolution Mechanism (DRM) set up under the JCPOA. In their statement, they stressed that the move was 'in good faith with the overarching objective of preserving the JCPOA and in the sincere hope of finding a way forward to resolve the impasse through constructive diplomatic dialogue' (Foreign and Commonwealth Office, 2020a).

Although the DRM was triggered in January, despite the latest round of talks under the Joint Commission having taken place in Vienna on 1 September, no diplomatic solution has yet been reached by the parties, but neither has the situation escalated further on the nuclear front. In June, the E3 drafted and tabled a resolution at the IAEA on Iran's refusal to grant the Agency access to some of its facilities; however, this was linked to activities which could have taken place in the past (2002-2003) and not under the JCPOA mandate (Dolzikova and Tabrizi, 2020)<sup>7</sup>. According to the IAEA's June report, Iran has continued to increase its level of low-enriched uranium (LEU) stockpile and breach its limitations under the deal on advanced centrifuges' research and development (International Atomic Energy Agency, 2020). While this means that Iran currently has enough LEU for one nuclear bomb if enriched further, given that Tehran continues to cooperate with the verification and monitoring mechanisms of the JCPOA, the IAEA would detect any such

<sup>7</sup> On 26 August, the IAEA's Secretary General Rafael Grossi travelled to Tehran and the two sides reached an agreement on how and when Iran should grant access to the two facilities. International Atomic Energy Agency, 'Joint Statement by the Director General of the IAEA and the Vice-President of the Islamic Republic of Iran and Head of the AEOI', 26 August 2020, <https://www.iaea.org/newscenter/pressreleases/joint-statement-by-the-director-general-of-the-iaea-and-the-vice-president-of-the-islamic-republic-of-iran-and-head-of-the-aeoi>.

attempt in due time (Davenport, 2018). Furthermore, Iran has so far also refrained from taking more drastic actions, such as increasing the level of enrichment to 20% or resuming construction on the Arak reactor.

Albeit concerning, all this seems to indicate that Iran's nuclear activities are still well below pre-JCPOA levels. The Rouhani administration is most likely using the nuclear file as a tool to increase its leverage while also remaining engaged with the E3/EU, thereby leaving the option open to reverse all the steps taken over the past year when and if negotiations recommence. However, tremendous internal political pressure from hardliners has been building for full resumption of Iran's nuclear programme. Hence, depending on developments over the next few months, the government might face significant challenges in keeping Iran within the JCPOA boundaries.

## 5 Regional confrontations: Iran's regional role

### 5.1 Confrontations with Saudi Arabia, the UAE and the US

Iran-Saudi Arabia relations have always been brittle, but the revolution in 1979 and Iran's stated ambition to export the revolution antagonised the Persian Gulf sheikhdoms. In response to this ideological challenge and belligerence, Saudi Arabia and most Gulf states supported Saddam Hussein during Iraq's eight-year war with Iran. Since then, both countries have come to use each other as a foil to demarcate their own ideological and political positions. This has resulted in Saudi Arabia becoming Washington's foremost ally in the region and consequently also assuming privileged strategic position – Washington guarantees security and acts as a counterweight to Iran, whilst Riyadh ensures the flow of reasonably priced oil to the world market. This equation has not always worked and nor are its constituent parts stable. The United States no longer needs oil from the region<sup>8</sup> and the market is too diversified for any single, albeit large, producer to dominate. The flow of oil is vital for the global economy, which in turn is essential for the US, but the actual oil consumers are Europe, China, India and other growing Asian economies.

The JCPOA threatened this strategic arrangement between Washington and Riyadh by introducing for the first time the possibility of changing the relationship between Washington and Tehran. Simply put, the US-Iranian relationship since the 1979 revolution can be characterised as having been a dysfunctional non-relationship (no open or regular diplomatic interaction and no accommodation or recognition of the other party's point of view). The Obama administration's central role and its regular, intensive interaction with the Rouhani administration brought about a functional non-relationship, which given time could possibly lead to a fully-fledged functional relationship. In a zero-sum game of international relations this would by definition mean less influence in Washington for Riyadh (and Tel Aviv, which explains Netanyahu's adamant resistance to the nuclear agreement, despite assessments by his own intelligence services) (Kershner, 2020)<sup>9</sup>. In essence, while there is a fear of what the nuclear programme in Iran could entail, it is in many ways just shorthand for a more strategic fissure – even without the nuclear dossier, detente between Riyadh and Tehran is a difficult proposition.

This structural threat is also part and parcel of a greater American need to focus more on China as the rising power threatening US hegemony. The Obama administration was perceptive in this regard, but for Riyadh this pivot towards Asia was the final instalment in a series of betrayals. When the US finally toppled Saddam Hussein, Riyadh pushed and fully expected Iraq to be taken over by another Sunni strong man. This was aimed at fending off the double threat of democracy gaining a foothold in the neighbourhood and Shi'a Iran expanding its influence in what Saudi rulers considered to be the bulwark against Iranian expansionism in the Arab world. To this American failure, the Obama administration added the nuclear

<sup>8</sup>Highest US import of Persian Gulf oil in the last 30 years was in 2001 (972 million barrels), in 2019 it was 321 million barrels. <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRIMUSPG1&f=A>.

<sup>9</sup>Many in the Israeli intelligence and non-proliferation community have a much more positive assessment of the agreement. See for instance: B. Avishai, 2017. For an analysis of the strategic implications and fears see T. Parsi, 2017.

deal with Iran, stating that: 'The competition between the Saudis and the Iranians...requires us to say to our friends as well as to the Iranians that they need to find an effective way to share the neighbourhood and institute some sort of cold peace' (Goldberg, 2016). With the election of Trump, Saudi Arabia, Israel and the UAE found a sympathetic ear for their joint wish to return to *the status quo ante*. Trump's first state visit was to Riyadh (May 2017), where he clearly signalled a more confrontational line with Iran and a bolstering of military cooperation with Saudi Arabia along with other allies (Shear and Baker, 2017; Saudi Embassy, 2017).

Mistrust and disappointment with the Obama administration coincided with an unexpected change in the Saudi kingdom's ruling elite. Mohammad bin Salman, a young son of the ailing King Salman, was promoted against traditional understanding of seniority and by 2015 appointed crown prince. Among his many ambitions, two are of great importance for the present situation in the region: a more assertive foreign policy with less dependence on the United States; and confrontation with Iran whenever possible. In this he has a mentor and ally in the Crown Prince of Abu Dhabi, Mohammad bin Zayed. Both Riyadh and Abu Dhabi have increased their own military and political activity in the whole region, at times in coordination with Washington, at times not. However, Saudi and UAE policy goals are not always aligned, as evident in the Yemen debacle (Michael, 2019; Walsh, 2020). Since late 2019, the UAE has also been more open to dialogue with Iran and provision of aid to Iran in its fight against COVID; in August 2020, Foreign Minister Zarif and his UAE counterpart Al Nahyan even held a rare 'substantive, frank and friendly' discussion on how to deal with COVID and other issues (Al Jazeera, 2020b; Ramani, 2020). Yet, the engagement is frail. Just days after this discussion, the UAE and Israel announced an agreement (brokered by the US and known officially as the Abraham Accords) to normalise ties, leading to strong criticism of the UAE by Iran's President (as well as most senior Iranian officials) which resulted in a diplomatic spat (Al Jazeera, 2020c). While the substance of this deal is still unclear, as is its ability to jeopardise bilateral ties between the UAE and Iran irreversibly, signals concerning potential security cooperation coupled with Bahrain and the UAE already having signed the agreement could change the strategic balance of the UAE, Saudi Arabia and Tel Aviv vis-à-vis Tehran.

Both the UAE and Saudi Arabia want Iran's regional influence to be contained, but they also fear what a direct confrontation between Tehran and Washington would cause. Putting aside their often belligerent rhetoric, neither country has the capacity nor the will to wage war on Iran. While they expect Washington to take almost all of the responsibility for any military operation (from air strikes to fully-fledged war), they fear the fallout of a full-scale war, a real concern that Tehran is keen to underline. This stands in contrast to Israel that is in some ways already at war with Iran and is generally more willing to risk a full-scale confrontation with Tehran.

For a long time, Tehran ignored its adversaries on the Persian Gulf's southern shore, a hubris borne out of nationalist arrogance and perception of its own greater geopolitical weight. Thus, Saudi Arabia did not feature heavily either in Iranian foreign policy or in its attempts to manoeuvre vis-à-vis the United States. This position changed following negotiations that produced the JCPOA, against which Riyadh and Abu Dhabi found a common cause with Tel Aviv. On 2 January 2016, Riyadh executed the Shi'a Sheikh Nimr al-Nimr and immediately a mob in Tehran attacked the Saudi embassy. Subsequently, Saudi Arabia broke off diplomatic relations with Iran. Soon after, and especially once Trump came to power (see section 5.3), Tehran increased its support for the Houthi rebels in Yemen as a way of fairly 'cheaply' creating problems for Riyadh and in 2019 demonstrated its ability to hurt Saudi and UAE interests in the Persian Gulf (see next section 5.2).

Israel in turn was alarmed by growing Iranian military engagement in the Syrian civil war and has on several occasions conducted air strikes against Iranian positions in both Syria and Iraq (Tsir Cohen & Huggard, 2019; Al-Monitor, 24 June 2020). Hence, there exists a cold war that neither side wants to escalate, but where Iran has had to balance its unwillingness to risk uncontrolled escalation with its need to show its deterrence

capability. This deterrence is directed against its southern neighbours, but also towards the US – especially those in the present administration eager for a ‘showdown’.

## 5.2 Low intensity war becoming hot: Strait of Hormuz and Iraq

Iran’s decision to shift its policy from strategic patience to maximum resistance in May 2019, responding to the US maximum pressure campaign, has had significant implications not only on the nuclear dossier but also in the region, especially when it comes to the Strait of Hormuz and Iraq.

Until then, while Iran maintained its presence in the region and support for its proxies, there was no major escalation between Tehran and the United States or its allies either in the Persian Gulf or Iraq. The key actions taken by Iran, following the JCPOA up to May 2019, consisted of missile tests (see section 6.2) and threats to close the Strait of Hormuz if Iran’s ability to sell oil was undermined by the Trump administration (Fitch 2016; DiChristopher, 2018).

But once Tehran’s maximum resistance policy became active, the situation quickly changed. From mid-May Iran conducted several attacks on oil tankers in the Persian Gulf and the Gulf of Oman (Bassiri Tabrizi, 2019). In June 2019, Iran shot down a US military drone over the Strait of Hormuz, arguing that it had entered the country’s territory (Cooper, 2019). Tehran is also believed to have been responsible for a sophisticated attack, conducted with a combination of drones and missiles, against the Saudi Aramco oil plants in Abqaiq and Khurais (Nichols, 2020).

These developments in the Persian Gulf all contributed to escalating tensions between Iran and the US, with the latter even contemplating a military response to the shooting down of its drone (Shear et.al, 2019). However, since the attack did not cause any harm to US troops or citizens (a ‘red line’ set by Trump) the military response was called off on that occasion (Finnegan, 2020). Nevertheless, prospects for confrontation drastically spiked in Iraq.

On 27 December, one of the Iran-backed groups in Iraq killed an American contractor (Gordon, 2020), crossing America’s red line. This outcome seemed inevitable given the intensification of tensions between the two sides and an increased risk of miscalculations. To date, it is still not clear whether the attack was ordered by Tehran or independently carried out by Kataib Hezbollah (a group which is part of the Popular Mobilisation Forces, also known as PMF). But the consequence was a dramatic escalation of tensions between the US and Iran, which ultimately led to the killing of Iran’s Commander of the Quds Forces, Qassem Soleimani, ordered by Trump (Borger and Chulov, 2020).

Iraq thus constituted the theatre in which, after months of rising tensions, the United States decided on military confrontation with Iran by assassinating one of its most senior figures who was charged with implementing the country’s policy in the region. Similarly, Iran also viewed Iraq as the theatre in which to escalate tensions with the US militarily to avenge the killing of Soleimani. Accordingly, on 7 January it launched an operation targeting two Iraqi bases hosting US troops with more than a dozen missiles (Borger and Wintour, 2020).

While neither side ultimately aimed to start an open war, in Iraq or elsewhere, since January tensions in the Persian Gulf and even more in Iraq, have remained high. Kataib Hezbollah and other Iran-backed groups conducted several attacks on Iraqi bases, often hurting Americans or other Coalition members (Kullab, 2020; Starr et al., 2020). The US struck back by targeting weapons sites of these groups in Iraq (Lopez, 2020). In the Gulf, the Islamic Revolutionary Guard Corps (IRGC) Navy vessels have occasionally harassed US military ships, thus maintaining a heightened risk of miscalculation and collision between these two sides in the region (US Naval Forces Central Command, 2020).

Rather than reducing Iran’s activities in the region, maximum pressure therefore resulted in an intensification of tensions, along with Iran’s increased reliance on its allies (see section 5.3) and hybrid warfare capabilities (6.1).

Europe has been critical of Iran's disruptive behaviour in the region, with the E3 even issuing joint statements whenever situations have been considered to be of grave concern (Foreign and Commonwealth Office, 2019). However, in general terms it has still tried to adopt a stance which is distinct from that of the US, detaching itself from the maximum pressure campaign and the overall posture of Trump's administration towards Iran even when concerns have been shared. The main example is the establishment of the French-led European Maritime Awareness in the Strait of Hormuz (EMASOH). This initiative was created for EU countries so as to provide the option of ensuring navigation freedom in the Persian Gulf without having to join the US-led project, known as the International Maritime Security Construct. The latter has in fact been perceived by several EU states as increasing the chances of escalation with Iran. EMASOH has gained the political support of several EU countries (Belgium, Denmark, Germany, Greece, Italy, the Netherlands and Portugal) and indicates their ambition to become a credible maritime security provider, in line with what is outlined in the Global Strategy. To strengthen its relevance, some members of the mission envision this initiative to add a diplomatic component, taking a more proactive role not just in deterring but also mitigating and mediating conflicts in the region and making progress on the shaping of a regional security framework.

### 5.3 Allies and tinderboxes: Yemen, Syria, Iraq, Lebanon, Afghanistan

Iran's military doctrine, dubbed 'forward defence', implies that opponents should be fought outside the country's borders to prevent conflict inside Iran itself (Yossef, 2019). One of the key components of this doctrine is a reliance on networks of armed groups to deter regional threats, which has long been a tool used by Iran not only to project power with limited risks to its own territory, but also to benefit from plausible deniability (Ajili & Rouhi, 2019).

Over the years, Iran has established a network of allies in the region, which are situated in various countries ranging from Syria to Afghanistan. Providing these groups with financial support, weapons and military advisors has enabled Tehran to expand its own asymmetric capabilities vis-à-vis those it perceives as posing a security threat. Trump's maximum pressure campaign, according to members of his administration, was intended to constitute a way to 'reverse the advances made by Iran and its proxies over the last several years' through sanctions and by inflicting 'real costs on Iran' (Hook, 2018). Yet, more than two years since the campaign was first introduced, there is no sign that it has achieved the intended goal.

Since the Trump administration came to power, Iran has even intensified support for some of its allies in Yemen and Afghanistan. For instance, while the Houthis have been backed by Iran at least since 2014, from 2017 provision of arms supplies, training and financial support has expanded substantially. Tehran's goal was to increase the cost of a tougher policy towards Iran adopted by Trump by targeting Emirati and Saudi military as well as civilian targets with more advanced weapons (Saul et.al, 2017). This was despite progress made by the E4 (France, Germany, the UK and Italy) in talks with Iran on ending the conflict in Yemen, a track initiated in 2018 by the European countries to assuage US concerns over Tehran's behaviour in the region, while also ensuring the JCPOA's survival (Hafezi & Irish, 2018). In 2018, Iran and its allied groups also substantially increased their presence and capabilities in Syria, particularly in the South-West regions close to the border with Israel, despite US (and Israeli) efforts to roll back its military presence in the country (Rasmussen & Gordon, 2018). While, in early 2020 some reports by Israelis hinted at Iran's presence in Syria being reduced, these have subsequently been rebutted, particularly in light of Tehran's air defence pact with Assad (AP, 2020) and the flow of Iran-backed militia members from Iraq to Syria (AI Monitor, 2020). In late 2018, Iran also went public about its engagement with the Taliban in Afghanistan and progressively intensified its backing for the group in an attempt to disrupt US-Taliban peace talks (Shariatinia, 2019).

The American maximum pressure campaign and sanctions imposed against Iran curtailed resources available to the regime which it could distribute to its allies in the region. Hence, by March 2019, reports were already emerging about the pain being felt by Iran-backed groups because of sanctions; Iran-backed armed group in Syria, including Hezbollah, were seeing their salaries slashed or missing wage payments

(Hubbard, 2019). Hezbollah has responded by integrating itself even more into the Lebanese state apparatus, in an attempt to make up for Iran's dwindling financial support. Thus, despite the economic and political crisis faced by Lebanon, Hezbollah insists on maintaining the control of the finance ministry, reducing the space for the reforms needed for the country to address the rampaging corruption and mismanagement and thwarting the chances for the Macron roadmap to succeed (Chulov, 2020). In early 2020, because of COVID-19's impact on the Iranian economy (see section 8.1) together with the burden of sanctions, Iran's financial and military support to proxies in Iraq also reduced significantly (Reuters, 2020). In one of his visits to Baghdad, the Quds Forces' new Commander, Esmail Qaani, allegedly distributed silver rings instead of the usual cash handouts to members of the Popular Mobilisation Forces, clearly signalling the extent of Iran's economic crisis (Al Jazeera, 2020a)<sup>10</sup>.

However, despite these economic challenges, the US maximum pressure campaign has yet to disrupt ties between Iran and all these groups. Training along with the transfer of weapons and technology has continued over time and to date the groups' operational capability has not been undermined (Tabatabai & Clarke, 2019). The EU has been under pressure to coordinate with the United States in its policy, with the aim of disrupting some of these networks and transfers; when it comes to Hezbollah, for instance, this has led to the group in its entirety being designated as a terrorist organisation by the UK and Germany over the past year<sup>11</sup>. However, because of the perceived security threat posed by the US, especially following the killing of Soleimani, Iran is unlikely to stop investing in its relations with local armed allies; on the contrary, it will most likely rely on them even more to pursue its forward defence policy in the region.

## 6 Iranian capabilities and threat perceptions

### 6.1 Missile and hybrid warfare capabilities

The use of naval forces, missiles, drones, cyber and networks of armed groups in the region (see section 5.3) has long been viewed by Iran as a way of compensating for its weak conventional capabilities, projecting power without risking a major war and hiding behind the plausible deniability ingrained in these hybrid warfare capabilities. In short, they are an integral element in Tehran's defence doctrine. Iran's ballistic missile capabilities, in particular, one of the largest and most diverse in the region, have for some time constituted a concern not only for the United States and Israel, but also Europe.

The JCPOA did not focus on ballistic missiles *per se*, with UNSC Resolution 2231 banning only those capable of delivering nuclear weapons (Arms Control Association, 2015). As mentioned in section 4.1, the E3 and the EU were hoping that successful implementation of the JCPOA would open up discussions with Iran over its missiles programme, as well as other issues considered more sensitive and difficult to tackle without the mutual trust and confidence built through a nuclear agreement.

The EU and E3 often criticised missile tests conducted after adoption of the JCPOA for being inconsistent with the spirit of Resolution 2231, albeit not in violation, whereas the new Trump administration accuses Iran of breaching the Resolution by conducting missile tests and claiming that these were 'capable of delivering nuclear weapons' (Reuters, 2017). President Trump also maintained that one of the JCPOA's main shortcomings was that it did not address Iran's development and testing of ballistic missiles (White House, 2018)<sup>12</sup>.

Early in 2018, the E3 tried to work closely with the United States to address the ballistic missile issue, making some substantial progress and hoping that this would convince Trump to remain as a party to the deal (see

<sup>10</sup> Hard data on exact sources and amounts of money invested by Iran in these military and political networks are nigh impossible to come by. For an attempt at a realistic assessment, see Parsi 2019.

<sup>11</sup> The Netherlands already designated it as such in 2004.

<sup>12</sup> Ballistic missiles are not covered in the JCPOA, but those capable of delivering nuclear weapons are banned under the UN Security Council Resolution 2231.

section 4.2), which regrettably proved not to be the case. Following the ultimate failure of these talks and subsequent US withdrawal from the JCPOA, no progress has been made between the E3/EU and the US on how to curb Iran's ballistic missiles ambitions. Furthermore, despite maximum pressure and the country's dire economic situation, Iran has continued to invest and rely on its missile capacity, as well as other hybrid capabilities, in implementing a maximum resistance strategy vis-à-vis the United States.

From May 2019, Iran started to adopt a more aggressive behaviour in the region (see section 5.2), relying even more on its local armed allies, using its naval forces to harass the US navy and attack or seize oil tankers in the Persian Gulf, deploying drones and missiles to conduct attacks such as that in Abqaiq or Iraq and even intensifying cyber activities against its main opponents (Hanna, 2020; Srivastava, 2020).

It also continued unveiling more advanced technology or military achievements, including new types of drones, ballistic missile launch pads hidden deep underground, surface-to-surface missiles and military satellites launched into orbit (Hinz, 2020; Tasnim News Agency, 2020; Iran Primer, 2020). Some of the technology Iran tested or launched in the second half of 2019 (such as the variant Shahab-3 equipped with a manoeuvrable re-entry vehicle, the Borkan-3 liquid-propelled medium-range ballistic and the satellite launch) was deemed by the E3 as inconsistent with the UNSC Resolution 2231. The E3 also warned the UN, for the first time, that Iran was developing nuclear-capable ballistic missiles (BBC, December 2019).

All of this reveals the technological advances made by Iran despite sanctions and maximum pressure, in a bid to 'further strengthen Iran's deterrence power' (Macias, 2020). It also provides an indication of what the expiring arms embargo under the terms of the JCPOA (due in October 2020) might mean in practice.

The United States has been claiming that expiry of the arms embargo gives 'the green light to Iran to buy and sell all manner of conventional weapons' (United States Mission to the UN, 2020). The E3 and EU, on the other hand, have argued that it would engender 'serious concerns regarding the implications for regional security... particularly given Iran's destabilising activities, which continue unabated' (Foreign and Commonwealth Office, 2020b); but they also argued that 'the EU embargoes on conventional arms exports and missile technology will remain in force until 2023' (Ministry of Europe and Foreign Affairs, 2020), thus constraining Iran's ability to access and transfer conventional weapons. The E3's response to US attempts to trigger snap back is a result of Washington having left the JCPOA and therefore not having the legal standing to invoke its articles or provisions. It should not be interpreted as a lack of concern for expiration of the arms embargo — a problem that requires a solution acceptable to all the UNSC member states.

To counter the perceived security threats posed by the US and its allies in the region, Iran has been relying on an asymmetric strategy based on anti-access and area denial, which highlight the usage of air defence systems, ballistic missiles, electronic and cyber warfare together with naval combat through ultra-fast speedboats and anti-ship cruise missiles (Ajili and Rouhi). By deploying this strategy, Tehran has been able to counter, in a cost-effective manner, its better resourced adversaries. As Iran does not rely much on conventional capabilities, it is unlikely that expiry of the arms embargo will change Iran's purchasing policy to any great extent, particularly from Russia and China, or lead the country to shift away from its asymmetric strategy<sup>13</sup>.

As discussed in section 9, Europe should thus not only look at ensuring that the rules-based international system is preserved when it comes to the UN arms embargo's future, but also make a proper assessment of the threat posed to the EU's interests by Iran's conventional military capabilities.

<sup>13</sup> For more information on military spending in the Persian Gulf region see P. D. Wezeman and A. Kuimova, 'Military Spending and Arms Imports by Iran, Saudi Arabia, Qatar and the UAE', *SIPRI Fact Sheet*, May 2019, [https://sipri.org/sites/default/files/2019-05/fs\\_1905\\_gulf\\_milex\\_and\\_arms\\_transfers.pdf](https://sipri.org/sites/default/files/2019-05/fs_1905_gulf_milex_and_arms_transfers.pdf).

## 6.2 Covert operations in the EU

In 2018, Iran was behind at least two assassination attempts on EU territory. The first plot was set against a backdrop of the June 30 rally in Paris held by the exiled opposition group, the People's Mujahedeen of Iran (MEK)<sup>14</sup>; the second in Denmark during September targeted three members of the Arab Struggle Movement for the Liberation of Ahwaz, a separatist group which Tehran has linked to terrorist attacks inside Iran (Deutsche Welle, 2018). The Dutch government publicly accused Iran of the plots, as well as two killings in 2015 and 2017 (Government of the Netherlands, 2019).

In January 2019, the EU responded by adopting sanctions against Iran's Intelligence and Security Ministry as well as two Iranian nationals, imposing a travel ban and freezing their assets for their involvement in the thwarted assassination attempts (France 24, 2019). Ministers of The Netherlands, the United Kingdom, France, Germany, Denmark and Belgium also conveyed their serious concerns regarding Iran's involvement in hostile acts on EU territory.

The move was interpreted by some as a potential shift in the EU's posture towards Iran, given that sanctions were being adopted for the first time since the JCPOA was announced. The US administration in particular praised the EU for its new sanctions (Pompeo, 2019), hoping that the counter-terrorism line could constitute a way for Europe to join forces with the US in developing a common strategy to counter the common threat posed by Iran.

In reality, even the Netherlands, one of the most critical voices in Europe when it comes to Iran's threat on EU soil, stated clearly that there was no link between the sanctions adopted and the nuclear deal (France 24, 2019). This highlighted how the EU could take a critical stance towards Iran's concerning actions, while at the same time not jeopardising its overall strategic objectives.

The E3 and EU's commitment to ensuring the nuclear deal's survival and avoiding war in the region has remained unchanged, with no sign of shifting towards a maximum pressure posture against Iran. For instance, only a few days after sanctions were announced, the establishment of INSTEX (see section 4.3) was also unveiled (Ministry of Europe and Foreign Affairs, 2019), showcasing how the two efforts (supporting the JCPOA and taking actions against Iran's destabilising activities) could successfully be undertaken in parallel.

## 7 Occasional partners, never allies: Russia and China

From the 1990s, Russia and China have grown in importance for Iran and this has been accentuated still further by the more recent nuclear crisis. Both powers have not only acted as intermediaries, but also used the crisis as leverage against Washington. The EU's exit from the Iranian market following adoption of unilateral sanctions has also made Iran more dependent on Russian and China in regard to its trade and economy in general<sup>15</sup>.

China's primary interest in Iran and the Middle East has been trade and oil supplies. As Beijing's role in global affairs has grown, it has generally been expected that economic prowess would be matched by a similar level of political agency and responsibility. However, development in this regard has been rather slow, particularly in the Middle East. China sees benefits in the US shouldering the burden of guaranteeing

<sup>14</sup> Iran considers MEK to be a terrorist organisation as they have been behind several assassinations and bombings of high-ranking government officials in the 1980s and possibly involved in the assassination of Iranian nuclear scientists 2007-2012. The US had them on their terrorist watch list until 2012, but a number of politicians, Democrats and Republicans are supporters of the group. See Harb 2019; The EU listed the MEK as a terrorist organisation 2002-2009. Its presence in Albania is source of concern, see EU Reporter 2018.

<sup>15</sup> On the fluctuations of Russian-Iranian trade see <https://www.statista.com/statistics/1025404/russia-value-of-trade-in-goods-with-iran/>. For China-Iran trade see <https://tradingeconomics.com/china/imports-from-iran>.

stability and prefers not to become embroiled in the politics of how this is to be accomplished (Reardon-Anderson, 2018; Garver, 2006; Esfandiary and Tabatabai, 2018).

Relations between the Islamic Republic and China have been quite stable, so much so that during the Iran-Iraq war China was one of the few countries which sold arms to Iran (but also to Iraq). The Iranian missile programme owes much to Chinese (and North Korean) assistance in terms of sales and technology transfer. Yet the limits of this relationship are also clear. Since detente with the United States in the 1970s, the priority for Beijing has been to develop that relationship (initially to outbalance Moscow, then increasingly expand the economy and enter into the world market). As with the Russian approach, Beijing has to some extent used its relationship with Tehran as leverage when dealing with Washington. Whenever it has become necessary to signal greater independence vis-à-vis the US, it has enhanced the relationship with Tehran, but never to an extent that would cause permanent damage to its ties with the United States.

Tehran has always wanted its ties with China to become more strategic and less transactional, an endeavour that Beijing has always courteously declined. The ambivalence is clear when, for instance, Iran was invited to become an observer state in the Shanghai Cooperation Organisation during 2005, but has so far failed to be granted full membership despite its application in 2008. Officially, this is solely because of UN sanctions, but less officially it stems from a combination of US sanctions and China's unwillingness to complicate the Organisation's relations with the US (Siddiqui, 2019).

Over the past ten years, China has become one of Iran's top trading countries (exporting oil in return for importing goods and technology), taking the number one spot in terms of trade with Iran following the imposition of unilateral sanctions by the US and EU from 2010 (European Commission, 2020; Directorate-General for Trade, 2020). As China and Iran do not share borders, the relationship is by definition more consequential and strategic than that with Russia. Trade and technology are important long-term factors here and the Chinese Belt and Road Initiative is one of several ways through which these ties can be strengthened.

In 2016, Presidents Xi and Rouhani signed a Comprehensive Strategic Partnership, which indicated their mutual ambition to broaden and deepen their relationship (Scita, 2020a). While as yet little has happened with the 17 Memoranda of Understanding that were signed in January 2016, the effort was followed up with negotiations on a 25-year agreement between the two countries pertaining to trade and resources. Rumours and supposedly leaked drafts have sparked heated debates in Iran on the relationship with a behemoth such as China and sounded loud alarm bells in Washington (Scita, 2020b). So far, there is very little substance with regard to the agreement, which has still to be completed. Regardless of what the final version will look like, it does point to a significant trend of intra-Asian commerce, trade and political relations, where Iran could be regarded as one important piece of the puzzle for Beijing and New Delhi. But as in the past, expectations do not match reality. When the US suspended the oil waivers, for instance, it was expected that China would continue buying oil from Iran, providing a lifeline to the country's affected economy. While China has continued to buy some oil from Iran, it has been in much lower quantities than anticipated, with Saudi Arabia replacing Iran as China's major supplier (Kennedy, 2020). Hence, contrary to expectations China has mostly caved into maximum pressure campaign, prioritising its relationship with the US over maintaining trade with Iran (Batmanghelidj, 2020). It could very well be that there will be a similar development regarding arms sales, where expiry of the UN arms embargo will not affect Chinese sales to Iran due to US resistance.

As with China, since the 1990s Moscow and Teheran have had an increasingly closer relationship, but this should not be misunderstood as a comfortable or trusting alliance. President Putin resuscitated a more independent Russian foreign policy and here the association with Iran has gained in importance. Yet, decision makers in Tehran are painfully aware that they have often been used as a bargaining chip by Moscow in its testy relationship with Washington. This was clear in the case of weapon sales, with extreme delay in delivery of the S-300 air defence system, as well as a decade-long wait for the Bushehr nuclear

plant to be brought online (Katz, 2010). Russian influence in Iran is a sensitive subject, something which became evident when it was revealed that Russian jet fighters were allowed to use Iranian air bases for refuelling when conducting operations in Syria during August 2016. There was a strong public backlash, forcing the government to respond by promising that it was merely a temporary arrangement (Barnard & Kramer, 2016).

Iran and Russia have a common ally in Bashar al-Assad's Syria and both have invested heavily in various ways to ensure Assad's survival. Yet, there is also friction in Syria, where overall goals and relations with the country's neighbours weigh differently in the two capitals. Furthermore, rebuilding Syria and the contracts involved in reconstruction fuel additional discord between them (Sinjab, 2018).

While sharing common interests in limiting the US regional power, Moscow and Tehran's objectives clash closer to home. For instance, there is the protracted issue of delineating sovereignty and rights in the Caspian Sea. Over a period of many years, Russia had agreed with Iran that it should be regarded as a large lake, which determines how its resources should be divided. However, more recently Moscow changed tack, aligning itself with Kazakhstan who have argued over many years for the Caspian's status as a sea, which consequently implies different rules in the division of resources. Iran finally relented and signed the five-nation compromise convention in 2018, but Russia's repositioning was not well received and as a result the Rouhani administration's signature generated heavy domestic criticism (Azizi, 2018; Deutsche Welle, 2018a).

When it comes to the nuclear file, Moscow clearly does not want Iran to become a nuclear weapon state and has therefore actively participated in attempts through the UN Security Council to stave off this possibility. Conversely, Moscow does oppose sanctions on non-nuclear related issues where it perceives the existence of Western double standards in terms of applying international norms and rules, for instance in relation to arms sales (Gladstone, 2018). Even during the last attempts by the US to extend the Iran arms embargo beyond October 2020, Russia (together with China) took a strong stance by ultimately vetoing the resolution. While Russia might want to pursue military cooperation with Iran once the arms embargo expires, the veto was mainly driven by a desire not to deal yet another blow to the already frail nuclear deal. It is against Russia's strategic interests if Iran were to develop nuclear weapons and Moscow believes the JCPOA to be the best tool to avoid such an outcome.

By positioning itself somewhere between Washington and Tehran it has also gained leverage in its broader US relationship and in regional dialogue with Tehran. In some ways the hard US line has benefitted Moscow: firstly, oil trade sanctions with Iran in the 1990s benefitted Russia in its role as a transit country (oil and gas pipelines) and an oil producer; and secondly, the US/EU sanctions regime has removed European competition from the Iranian market (Katz, 2018).

While over the past three years Iran has progressively looked more towards the East, it has rather been because it was forced to do so (Zamirirad, 2020; Perteghella, 2019). The Rouhani administration was set on strengthening ties with Europe and the West more generally, but due to European inability to follow up on trade and the Trump administration's posture towards Iran, it has had no choice other than to look at China and Russia, which has in any event been a traditional preference for hardliners in Tehran. Beijing and Moscow have thus been seen even by the current administration as potential strategic partners, not only in economic terms, but also to offset relations with the West and withstand US pressure. Should ties with both Europe and the US remain frail over the next few years, Iran's overall reliance (in both political and economic terms) on Russia and China will likely increase, presenting a potential headache for European capitals in terms of security concerns and strategic objectives.

## 8 Domestic picture

### 8.1 The state of Iran's economy: the triple crisis of sanctions, drop in oil prices and COVID-19

Iran has suffered from US sanctions more or less since the establishment of the Islamic Republic in 1979. The mass effect of these sanctions intensified once the US and EU had paired up, thereby forcing Iran to relinquish its nuclear enrichment programme in 2005. Up to that point, the EU had been Iran's number one trading partner and consequently the withdrawal of Europeans from the Iranian market had a severely adverse effect on its economy, albeit not swaying the state sufficiently to force reconsideration of its policy on the nuclear issue. However, it did stymie growth, made importing more difficult and most importantly meant that the Islamic Revolutionary Guard Corps became the unavoidable partner for many business ventures. In addition to its strong political connections, the organisation owns banks as well as manufacturing and construction companies. In effect the Iranian economy became a hothouse where, faced with very little competition, IRGC business networks flourished (see section 8.2).

It is a general misconception that Iran is simply an oil economy. While this may have been true at some point, the last almost 20 years of sanctions have had a significant effect on the economy's structures and content. The general recommendation for an economy such as Iran's, which is dependent on a raw commodity, is to diversify in order to become less sensitive to price fluctuations. Iran has in the past tried mostly in vain to follow this policy, but the sanctions regime has in effect forced it to accelerate its efforts in this direction, something that would otherwise probably have taken several more decades to accomplish. An added factor which has made this possible is the sheer size of the country and its population of 83 million people, a sizable domestic consumer market. In 2015 the Iranian state earned more revenue from taxation than it did from oil and gas sales. While this trend has continued, it is now more due to dwindling hydrocarbon exports, which remain crucial to Iran in earning hard currency. Approximately 50% of the active workforce is employed in the service sector, which underlines the country's economic diversity (Khajepour, 2020a).

One sector where the combination of lacking transparency, best practices and corruption is exacerbated by sanctions is banking. This sector and allied financial structures have been in need of reform and greater transparency for quite some time. The primary reason for these problems is how the state dominates the economy and is itself in turn ridden with networks of economic interests relying on political patronage. This structural corruption has been aggravated by sanctions that privilege existing groups and organisations with economic and political influence, which probably constitute the most important domestic obstacle to healthy economic development (Khajepour, 2020a; Batmanghelidj, 2018). As the JCPOA came into effect, an attempt was made by the Rouhani administration to clear obstacles for foreign investment in Iran, including re-connecting its banking sector with the global financial market. This required removing Iran from the Financial Action Task Force (FATF) blacklist<sup>16</sup> and accordingly the organisation entered into negotiations with Tehran, temporarily suspending its blacklist status. Whilst the Iranian parliament eventually legislated some of the necessary reforms, *inter alia* enabling greater transparency and better scrutiny to stamp out money laundering, to date the Guardian Council and the Expediency Council have refused to approve all the legislation's provisions. Resistance to FATF rules is borne out of two difficult sticking points. Firstly, the issue is sensitive because its anti-terrorism rules complicate Tehran's relations with Lebanese Hezbollah, an important Iranian ally, which is listed as a terrorist organisation by some countries. Secondly, conservatives in Tehran want to deny the Rouhani administration any victories and some believe for ideological reasons that any compromise on such issues

<sup>16</sup> An intergovernmental organisation with 39 member states, but also a number of other banking and financial organisations as associate members. The aim of the organisation is to combat money laundering and terrorism financing. <http://www.fatf-gafi.org>.

is tantamount to appeasement, hence compromising Iran's sovereignty and legacy from the revolution (Fagihih, 2019; Deutsche Welle, 2020; Radio Farda, 2020). Aside from the kind of economic policy that any future Iranian government might pursue, the main domestic obstacle to economic growth and realisation of the country's potential will be corruption and an inefficient bureaucracy.

Following the re-introduction of secondary US sanctions in May 2018, Iran's economy and its oil sector in particular declined, albeit the non-oil sectors have seen some modest growth in 2019. In 2018-2019 the Gross Domestic Product (GDP) shrank by 6 %, 2019-2020 by 7.6 %, and a further 6 % is projected for 2020 - 2021. However, various institutions, including the International Monetary Fund (IMF), project a positive growth in 2021 of about 3 % (Financial Tribune, 2020a). The economy had been expected to return to positive growth in 2020, but with the COVID-19 pandemic recovery will take longer to manifest itself. Iran was hit very hard by the COVID-19 crisis at an early stage of its spread, but subsided somewhat in early June. Pressed to save what remained of its economy, the government started easing restrictions. As experienced elsewhere, this move was premature judging from the steep rise in numbers of infected and dead that the country has experienced in July and August (AI-Monitor, 2020). The obstacles that US sanctions create for Iran, even for humanitarian trade, is well known (Cullis and Handjani, 2019; Bajoghli and Rouhi, 2020). The COVID crisis has resulted in a need to purchase additional medical equipment along with other allied supplies and consequently Iran applied for a USD 5 billion emergency loan from the IMF in March. However, due to pressure from Washington the IMF has yet to present any formal response (Talley and Faucon, 2020).

Unless Iran's relationship with the United States changes, any positive progress will primarily be due to further diversification of its economy and a push for export orientation. Inflation, which the Rouhani administration managed to bring below 10 % in 2013-2014, has since risen steeply and is now running at around 33 % (Khajepour, B., 2020b: pp. 8-9; World Bank, 2020).

In essence, the Iranian economy has been a crucible for all political factions, within which there has been a mix of financial experiments over the last 20 years. Khatami and the reformists ignored it to their own detriment (2005 Presidential elections), Ahmadinejad used economic populism to shore up support, but without delivering, and Rouhani's efforts to solve the nuclear issue were undertaken on the explicit premise that this would help rejuvenate economic prospects. Iran's economy was the centrepiece of the 2017 Presidential election as well as parliamentary elections in 2016 and 2020. One of the main triggers for protests during the last five or six years has been the increasingly dire economic situation (see section 8.3). A recent example is the fuel price hike that brought about massive protests in 2019. Hence, whoever the candidates are for the 2021 presidential elections, the economy will inevitably be a main pillar for their campaigns. However, this does not imply that the economy as a whole is on the brink of collapse, the stated goal of the Trump administration, and nor are there any indications that the population is mustering for large-scale rebellion.

## 8.2 The domestic balance of power: the economic and political power of the IRGC

The past three years have been characterised not only by a strengthening of the IRGC, politically as well as economically, but also a closing of ranks between the Rouhani administration and hardliners in all foreign policy as well as security matters.

During his first mandate, President Rouhani attempted to limit the IRGC's influence in Iran's economy and political sphere, arguing that the country has 'given the economy to a government that is armed with guns as well as with media outlets', and nobody is daring to compete with the group (Radio Farda, 2017). Adoption of the JCPOA represented a crucial opportunity in this sense from the administration's point of

view, as the ensuing economic liberation, flow of foreign direct investments and private sector strengthening could have facilitated the crack down on IRGC's extensive business networks<sup>17</sup>.

The approach adopted by Rouhani thus constituted a significant threat for the group. Under the banner 'resistance economy', during the previous administration between 2005 and 2013, it had been awarded around 11 000 development projects, ranging from construction and aerospace to oil and gas. As a result, over time the IRGC gained control over nearly one third of the Iranian economy (Ramzani, 2014), which is one of the main reasons (together with the overall opposition to engagement with the West and the US in particular) why it has been standing against any consequences from the JCPOA deal, opposing implementation attempts by the administration which are perceived as undermining their influence within the country. For instance, the IRGC and hardliners close to them: stood against reforms necessary to facilitate trade with third countries (see section 8.1 on the FATF); jeopardised the EU's attempts to open a delegation in Tehran (see section 3); made ties with the EU and US more complicated by undertaking missile tests in the first phases of the agreement's implementation (see section 6.1); and arrested dual citizens and foreigners (Iran Primer, 2020).

However, while tensions with the IRGC remained high, until 2017 the Rouhani government by and large still managed to maintain control over the nuclear file and used the JCPOA's success to advance its engagement agenda with both the US and the EU. This was achieved not least on complex issues such as Syria (Ansari and Bassiri Tabrizi, 2016), thereby distancing the government from provocative IRGC actions in the region, described as an attempt to sabotage the nuclear deal (Dehghan, 2017).

Once Trump's maximum pressure campaign was implemented, though, the situation quickly changed. Government officials started appearing in pictures alongside IRGC high ranking officers, supporting each other's stances and displaying a united front against the United States (Sharafedin, 2017). Reversing its previous position, the government even announced that it would empower the IRGC and its Quds Forces still further in response to sanctions adopted by the United States (Majidyar, 2017). From 2017, Rouhani has been supportive of missile testing conducted by the IRGC and, as opposed to past incidents, there have been virtually no major displays of divisions or clashes on files linked to regional developments.

Trump's designation of the IRGC as a foreign terrorist organisation in April 2019 (US State Department, 2019) did nothing to weaken the organisation, but rather generated further unity with the government (Esfandiari, 2019). Similarly, the killing of Soleimani resulted in unexpectedly large demonstrations in support of the IRGC and Quds Forces from all over Iran, across a range of different political spectra (Cunningham, 2020). Rouhani defined the IRGC as protectors of Iran, calling the US decision a mistake (BBC, 2019).

These demonstrations do not represent a unanimous view towards the organisation inside Iran, given that many Iranians still blame it for the repression which crushed protesters in the autumn of 2019 (see section 8.3) and the shooting down of a Ukrainian passenger jet earlier this year (BBC, 2020). However, in broad terms the trend from 2017 has seen the IRGC and hardliners strengthening their positions, including winning the majority of seats in the February 2020 Parliamentary elections (Bozorgmehr, 2020). This outcome has resulted in a weakening of the government's more moderate agenda and an undermining of its stance, particularly when trying to develop relations with the West.

<sup>17</sup> Right after the implementation of the JCPOA, for instance, the Rouhani government cancelled two large contracts with Khatam al-Anbia, the IRGC's main construction arm. B. Faucon, et al., 'Iran's Government and Revolutionary Guards Battle for Control of Economy', *The Wall Street Journal*, 18 May 2016, <https://www.wsj.com/articles/irans-government-and-revolutionary-guards-battle-for-control-of-economy-1463584510>.

### 8.3 The human rights situation

Iran has an extremely poor human rights track record (Barlow and Akbarzadeh, 2018; Vahabzadeh, 2017; Monshipouri, 2016; Atlantic Council, 2018). While the constitution affords all citizens certain rights (freedom of assembly and speech etc.) in reality these rights are more often than not circumvented, ignored and contravened by both the judiciary and the security services. Two presidents (Khatami and Rouhani) have tried, without success, to launch Citizen's charters, which in essence are reiterations of constitutional rights, but there is neither adherence nor respect by the state (Centre for Human Rights in Iran, 2018). The gender discrimination that women face is, though, partly enshrined in the constitution itself, as well as being a practice that by and large goes unpunished.

The extent to which dissent is suppressed and rights are violated tends to correlate with the vagaries of different factions within the political system. 'Reform-leaning' governments are elected on the express promise that they will ease restrictions (Khatami) and de-securitize society (Rouhani), but instead find that they are resisted by institutions controlled by conservative factions. The Judiciary and the Intelligence section of the IRGC are controlled by ultra conservative groups who consider any kind of liberalisation a threat to the system, understood interchangeably as the revolutionary ethos (as defined by conservatives) or those who control it. At the same time, they also believe that civil society groups will act as Trojan horses for US/Saudi/Israeli attempts to undermine the Islamic Republic. In this vein the paranoia/security perspective tends to persevere in most intra-factional debates, with human rights activists, their lawyers, minority groups, journalists and dual citizens ending up as victims of these policies.

Iran's judicial system is extremely opaque, with defence lawyers often harassed or even imprisoned for defending their clients. Severe, vaguely defined, charges such as treason, espionage, waging war on God and so on are used to sentence dissenters and human rights activists along with their lawyers to harsh punishments including lashing. Even before going to court, suspects can be placed in solitary confinement for long periods. Iran has both criminal courts and Revolutionary Courts (who handle security related charges and those with political implications), with the latter generally issuing harsher sentences. While torture is officially forbidden under Iranian law, both physical and psychological abuse is practiced with impunity. Moreover, forced televised confessions are still used to delegitimise dissent and maintain paranoid state narratives about its (perceived) opponents (Amnesty, 2020).

Iran's ample use of capital punishment has been the focus of UN, EU and international NGO efforts to influence decision makers in Tehran. These efforts have contributed to a decrease in the use of capital punishment<sup>18</sup>. The number of executions has dropped, albeit capital punishment remains on the statute books. The highest number of executions took place in 2015 with 972 cases, but since then the number has dropped significantly (71% less in 2019 compared to 2015). Until 2015 drug related convictions constituted the majority of execution cases (issued mostly by the Revolutionary Courts); since then most death sentences have been issued for murder convictions. In late 2017, a new amendment to the Anti-Narcotics Law in effect reversed a harsher regime introduced in 2011 (Human Rights Watch, 2017). According to the new amendment, a much higher amount of drug possession is required for capital punishment to apply. This has resulted in a marked drop in drug related death sentences. Iran still executes minors (in violation of its own international commitments) and organises public executions. However, in the last couple of years the number of public executions has decreased and those executed have primarily been convicted of murder and rape (even though at times the number of drug related death sentences have been higher). The number of cases where the families of victims have refrained from using *qisas* (the right of retribution by the same means as the crime) against the person convicted of murder has increased, indicating a decrease in the public's support for capital punishment.

<sup>18</sup> See Hadi Ghaemi's contribution to Atlantic Council, 2018.

Protests take place in Iran over various issues almost all the time, mostly over local mismanagement and, due to worsening economic conditions, increasingly against unpaid salaries, increases in the prices of staple food and fuel, as well as other similar issues (see section 8.1). Depending on local circumstances, the authorities at times choose to treat such protests as security threats, thus raising the stakes and the repercussions for participants.

The largest waves of protests to rock the Islamic Republic took place from December 2017 to January 2018 and then again in November 2019<sup>19</sup>. In both waves protestors were met with massive force, but particularly in November 2019 there was an excessive use of violence by the authorities resulting in more than 300 people being killed and thousands detained (Amnesty International, 2019).

The role of social media in spreading news and information about protests (but also obviously fake news and rumours) is the primary reason why the authorities continue to censor YouTube, Twitter and other platforms. That being said, many Iranian politicians use these channels themselves and technical solutions for circumventing state blockages are legion. Hence, when protests flare up, more often than not internet access is subject to wholesale restrictions by the Iranian authorities, an effective but costly form of cyber curfew.

Another major source of unrest and subsequent human rights violations is the thorny relationship between some of the country's ethnic and religious minority groups and the central government (and its representatives on the ground). Iran has a highly centralised state that since its modern inception in the early 20<sup>th</sup> century has tried to create uniformity in its population by exalting Persian and Shi'a Islam, whilst suppressing or restricting minority languages and cultures.

Kurds, Baloch, Azeris and Arabs have varying degrees of difficult relations with the central state. Baluchistan has throughout the 20<sup>th</sup> century been the most neglected part of Iran as well as being the frontier through which some of the illicit drug trade from Afghanistan flows. The Baluch are Sunni Muslims who suffer from both state neglect and discrimination due to their religious affiliation. In Baluchistan (Jundullah) and Khuzestan (Arab Struggle Movement for the Liberation of Ahwaz) armed secessionist groups have used violence against both state officials as well as civilians and are considered as terrorist organisations by the Iranian state.

Baha'is remain the most oppressed religious minority in Iran, because they are not recognised as such by the authorities and instead persecuted as apostates or accused of belonging to a 'deviant cult' (Human Rights Watch, 2018). They are banned from working in the public sector, being discriminated against in the educational system and so on. Other groups including Shi'a Sufi orders are also at times persecuted on various invented charges.

Independent labour unions have been forbidden since inception of the Islamic republic. Labour representatives and groups that protest against working conditions and unpaid wages often risk repression from state authorities. The dire and increasingly impossible economic situation in the country results from structural problems (mismanagement and corruption), which have latterly been severely exacerbated by the US sanctions that have moved many vulnerable groups in society below the poverty line and impoverished the Iranian middle class (Human Rights Watch, 2019).

Social and economic rights are an integral part of human rights, though often neglected in political discourse. Socio-economic inequality is one of the most pressing issues for the whole of Iranian society and

<sup>19</sup> There are significant differences between these protests and the massive outpourings that shook the country in the aftermath of the 2009 Presidential elections. The recent protests are leaderless, and thus more dependent on social media for dissemination, but also more organic and unpredictable in their occurrence, scope and direction. This in turn has made them geographically more widespread encompassing both major and smaller provincial cities, an important indicator for the level and depth of discontent that exists throughout different social strata with regard to deteriorating living conditions and a lack of accountability on the part of the authorities.

while the Islamic republic has made some headway in ameliorating the symptoms, it has so far failed to address the structural reasons for this situation. That being said, civil society organisations have continued their efforts to reform the laws where possible, notably on child protection and the nationality of children with non-Iranian fathers (Sepehri Far, 2019; Human Rights Watch, 2020).

Thus, the overall human rights situation in Iran has deteriorated still further due to a continued focus on the JCPOA's survival (see section 3), threats posed by the US and regional actors (section 5) as well as the strengthening of hardliners' positions internally (section 8.2).

The EU and Iran established a Human Rights dialogue in 2016 (European Commission, 2016), a conversation made more difficult by US sanctions and its withdrawal from the JCPOA (Kamiar, 2018), but also the intransigence of hardliners who control central state institutions in Iran. The EU continues to sanction Iran due to its human rights violations (European Council, 2019). The European Parliament has also addressed this issue and focused on women's rights, human rights defenders, dual nationals and minorities (European Parliament, 2019). The execution of 27-year-old wrestler Navid Afkari was condemned by the EU, whilst France, Britain and Germany summoned Iranian ambassadors in their capitals to protest about the treatment and imprisonment of dual citizens in Iran (EEAS, 2020; Wintour, 2020).

## 9 How to move forward – policy options and recommendations for the EU

### 9.1 What can the EU do to uphold the JCPOA and what effect does its economic relationship have with Iran?

The immediate challenge and priority for the E3 and EU is ensuring the nuclear deal's survival, which addresses Europe's non-proliferation concerns, while also avoiding the eruption of conflict in the region.

Despite US attempts to draw Europe closer to its maximum pressure campaign, the E3/EU have continued to express their commitment to the JCPOA but have faced growing challenges in standing up to US measures. This pressure is likely to increase further over the next few months because of the looming presidential elections, before which the Trump administration will want to show tangible results to justify his maximum pressure campaign and portray his policy on Iran as being successful.

The hope, in Europe and Iran (even among those not optimistic about diplomacy with the United States), is that the elections will bring about a change in administration and a consequent shift in US policy on Iran. After the November Presidential elections, the E3 and the EU are hoping to reprise talks between the two sides on a big deal containing all aspects linked to Iran (regional issues, ballistic missiles and nuclear activities). However, for now, both will aim to buy time not only to prevent the deal from collapsing, but also to avert unexpected military escalation in the region.

While this minimalist approach is driven by the limited options available to the E3 and EU, they should at least strive to:

#### Remain committed to the JCPOA

Europe should continue to send clear messages to Tehran that it is not going to align with the US maximum pressure campaign and will remain committed to the deal, despite the challenges faced.

While the immediate priority will be to bring Iran back into full compliance, the E3 and the EU should invest in finding ways for Tehran to benefit from such compliance and remaining a party to the JCPOA.

Reaction to the US administration's attempts to trigger snapback constitutes a positive move, but this needs to be supported by guarantees that sanctions will not be enforced. It also needs to be followed up by concrete measures to avoid an additional crisis with expiry of the arms embargo in October.

Incentives ultimately need to have an economic component to be attractive to Tehran. This should be in the form of credit lines, along the terms discussed in the Macron plan.

Only by keeping Iran on board with what remains of the JCPOA can Europe relieve the pressure exerted by hardliners on the Rouhani administration and reduce the risks of Iran taking more drastic steps, particularly in the nuclear realm, while buying time for more substantial progress on all fronts as soon as is opportune (depending on US and Iran elections).

### Coordinate closely with Russia and China

Over the coming months, the E3 and the EU should maintain a united front with both Russia and China, given that they constitute key allies regarding commitment to the JCPOA's survival, especially within the UNSC. This is pertinent not only for the looming arms embargo, but also to ensure that Iran has the incentives, economic and otherwise, to comply with the deal fully.

### Prepare for November 2020

The E3 and the EU should prepare for both scenarios in November 2020 by engaging with the two sides in Washington, so as to be positioned with strategies in place for either a Biden presidency or a second Trump mandate. In either case, the E3/EU should invest its political capital in shaping a transatlantic strategy, given that this has produced the best results in meeting Europe's strategic objectives on Iran in the past. Europe should make a case for the United States to stop jeopardising the EU's strategic objectives on Iran, even when and if divergent policies are undertaken. It should also advocate for the status quo ante (pre - maximum pressure in 2018) to be reprised for negotiations to start with Iran. Whatever the outcome of the elections, Europe should resist the temptation for forceful alignment with the US when this is not in line with its strategic objectives. Should Biden win, it is crucial that the EU insists on the US re-joining the JCPOA without pre-conditions, except for Iran's return to full compliance with its obligations. This is in order to re-establish the necessary trust without which attempts to address other thorny issues will be stillborn.

## 9.2 Regional behaviour

### Maintain a united front on Iran's disruptive behaviour

The EU must maintain a united front when dealing with Iran to achieve its intended objectives in the most effective way. It should continue pursuing joint E3 statements to reiterate unity across European partners on Iran's disruptive behaviour in the region and adopt sanctions when these are perceived as meeting the intended strategic objectives.

### Reprise the E4, despite challenges

Over the past year, the E4 has not met to discuss regional issues with Iran. While prioritisation of the nuclear file from the European side is understandable, discussions on other regional issues should continue in parallel with an attempt to increase mutual trust and understanding between the two sides.

### Reinvigorate the Maritime initiative and also translate it into a political track

The maritime initiative could be developed further to include a diplomatic track between countries in the region, with the objective of establishing a regional security framework. The Helsinki process and creation of The Organization for Security and Co-operation in Europe should be used as inspiration for investing in a regional initiative that emphasises detente, conflict prevention and human security.

## 9.3 Ties that bind: broad and critical engagement, trade and human rights

### Continue prioritising dialogue

Europe should strive to maintain its distinct approach towards Iran, characterised by engagement and dialogue, even in the most challenging of times and on the most sensitive of issues. Engagement has so far delivered more results than isolation, sanctions and containment when it comes to Iran. This should continue to be the Union's preferred approach, whatever US policy is applied. Dialogue should be critical and combined with pressure to address Iran's disruptive behaviour, both in the region or across Europe. It should also be taking place behind the scenes, in the case of technical and sensitive discussions, as well as in public through more frequent visits together with meetings by EU and member states' leaders to build mutual trust and understanding.

### Strive to expand topics of discussions

While over the past five years the Iran Task Force has dealt with bilateral, human rights and regional issues relating to Iran, recent developments showcase how, with the JCPOA's survival threatened, all other issues have been marginalised. A channel of communication must be maintained at all times, even if the situation over the nuclear issue further deteriorates; isolation and lack of communication will merely strengthen those advocating for an axis of resistance, self-sufficiency and a confrontational posture towards the West, as well as increase the chances of solving diplomatically any potential looming crises.

### Economy as autonomy

Economic ties are limited but should continue to be bolstered and strategic autonomy sought, not only for Iran but also for future cases in which a disagreement between the EU and US emerges, challenging the EU's ability to protect its interests. Strategic autonomy also means investing in Europe's capability for action (politically, militarily and economically) without necessarily aligning with the United States. INSTEX needs to expand both in terms of volume and scope. By engaging SMEs, the volume can increase as these are the kinds of companies that might realistically be interested in the Iranian market, as they have no or little exposure to the US market. The scope of INSTEX must go beyond humanitarian goods if it is to be credible as a financial instrument. The relevance of INSTEX as a model goes beyond Iran; it is rather the test for how to handle future cases where US/EU objectives do not align.

### Road map

For the relationship to gain in credibility, it needs long term commitments. Establish a timeline where the institutional and people-to-people linkages grow, thereby enhancing the EU's ability to make itself understood and heard in Tehran:

- Enhance strategic dialogue: establish DG – Ministry relations.
- The European Parliament should strive to re-engage with the Majlis in order not only to present the variety of European views but also to build a better appreciation of the political forces and nuances in Iran that are active on various issues.
- Establish tech/environment exchange and funds; water and waste management are key.
- Allocate funds for EU delegation in Tehran (again) and insist on it as part of the progress timeline.
- Further develop cooperation on combating drug smuggling and developing drug rehabilitation programmes.
- Re-start Trade and Cooperation Agreement talks.

## Bibliography

- Adebahr, C., *Europe and Iran: The Nuclear Deal and Beyond*, Routledge, London and New York, 2017.
- Ajili, H. and Rouhi, M. 'Iran's Military Strategy', *Survival* Volume 61 Edition 6, 2019, pp. 139-152.
- Al Jazeera (a), 'Cash-strapped Iran Struggles to Maintain Sway over Iraq Militias', 11 June 2020, <https://www.aljazeera.com/news/2020/06/cash-strapped-iran-struggles-maintain-sway-iraq-militias-200611085755738.html> (Accessed on 10 August 2020).
- Al Jazeera (b), 'In Rare Talks, Iran and UAE Foreign Ministers Discuss COVID-19', 2 August 2020, <https://www.aljazeera.com/news/2020/08/rare-talks-iran-uae-foreign-ministers-discuss-covid-19-200802174815468.html>.
- Al Jazeera (c), 'UAE Summons Iranian Diplomat over "Unacceptable" Rouhani Speech', 16 August 2020, <https://www.aljazeera.com/news/2020/08/uae-summons-iranian-diplomat-unacceptable-rouhani-speech-200816141002205.html>.
- Al-Monitor, 'Suspected Israeli Airstrikes Hit Various Locations in Syria', 24 June 2020, <https://www.al-monitor.com/pulse/originals/2020/06/suspected-israel-air-strikes-syria-iran-militias.html>.
- Al-Monitor, 'Iran-backed Militia Members Entered Eastern Syria from Iraq, According to a Pro-Syrian Opposition Group', 20 May 2020, <https://www.al-monitor.com/pulse/originals/2020/05/report-iran-militias-enter-syria-iraq.html>.
- Alcaro R. and Bassiri Tabrizi, A., 'Europe and Iran's Nuclear Issue: The Labours and Sorrows of a Supporting Actor', *The International Spectator* 49 no. 3, 2014, pp. 14-20.
- Amnesty International, 'Iran: Thousands Arbitrarily Detained and at Risk of Torture in Chilling Post-protest Crackdown', 16 December 2019, <https://www.amnesty.org/en/latest/news/2019/12/iran-thousands-arbitrarily-detained-and-at-risk-of-torture-in-chilling-post-protest-crackdown/>.
- Amnesty International, 'Human rights in Iran: Review of 2019', 18 February 2020, <https://www.amnesty.org/download/Documents/MDE1318292020ENGLISH.PDF>.
- Ansari, A. and Bassiri Tabrizi, A., 'The View from Tehran', in 'Understanding Iran's Role in the Syrian Conflict', *RUSI Occasional Paper*, August 2016, [https://rusi.org/sites/default/files/201608\\_op\\_understanding\\_irans\\_role\\_in\\_the\\_syrian\\_conflict\\_0.pdf](https://rusi.org/sites/default/files/201608_op_understanding_irans_role_in_the_syrian_conflict_0.pdf).
- Arms Control Association, 'Addressing Iran's Ballistic Missiles in the JCPOA and UNSC Resolution', *Arms Control Association* Volume 7 Issue 8, 27 July 2015, <https://www.armscontrol.org/issue-briefs/2015-07/addressing-iran%E2%80%99s-ballistic-missiles-jcpoa-UNSC-resolution>.
- Arms Control Association, 'Addressing Iran's Ballistic Missiles in the JCPOA and UNSC Resolution', Volume 7, Issue 8, 27 July 2015, <https://www.armscontrol.org/issue-briefs/2015-07/addressing-iran%E2%80%99s-ballistic-missiles-jcpoa-UNSC-resolution>.
- Associated Press, 'Iran Signs Agreement to Bolster Syria's Air Defense Systems', 10 July 2020, <https://apnews.com/e6f209720430f0f36b7064156482bea5>.
- Atlantic Council, 'Iran's Human Rights Record' with Dokhi Fassihian, Director, Middle East and North Africa Division at Freedom House; Hadi Ghaemi, Executive Director, the Center for Human Rights in Iran (CHRI); and Sussan Tahmasebi, Women's Rights and Civil Society Activist, September 2018, <https://www.iranhumanrights.org/2018/09/irans-human-rights-record/>.

Atwood, K., 'US isolated as allies and opponents reject its bid to snapback UN sanctions on Iran', *CNN*, 21 August 2020, <https://edition.cnn.com/2020/08/20/politics/pompeo-un-formal-snapback/index.html>.

Avishai, B., 'Why Israeli Nuclear Experts Disagree with Netanyahu About the Iran Deal', *New Yorker*, 24 October 2017.

Azizi, H., 'Caspian Sea Convention Moves Iran Closer to Northern Neighbors', *Al-Monitor*, 22 August 2018, <https://www.al-monitor.com/pulse/originals/2018/08/caspian-sea-convention-iran-russia-us-sanctions-pipeline.html>.

Bajoghli, N. and Rouhi, M., 'How Trump Sanctions on Iran Will Worsen the Pandemic', *New York Times*, 24 March 2020, <https://www.nytimes.com/2020/03/24/opinion/iran-sanctions-coronavirus.html>.

Barlow R. and Akbarzadeh, S. (eds.), *Human Rights and Agents of Change in Iran. Towards a Theory of Change*, Palgrave MacMillan, 2018.

Barnard, A. and Kramer, A.E., 'Iran Revokes Russia's Use of Air Base, Saying Moscow "Betrayed Trust"', *New York Times*, 22 August 2016, <https://www.nytimes.com/2016/08/23/world/middleeast/iran-russia-syria.html>.

Bassiri Tabrizi, A., 'EU, Iran relationship heats up', *Al-Monitor*, 9 December 2015, <https://www.al-monitor.com/pulse/originals/2015/12/iran-european-union-contacts-dialogue-jcpoa-iran-task-force.html> (Accessed on 17 August 2020).

Bassiri Tabrizi, A., 'Gulf of Oman Tanker Attacks: What Could Be Iran's Motive?', *BBC News*, 14 June 2019, <https://www.bbc.com/news/world-middle-east-48642401> (Accessed on 6 August 2020).

Bassiri Tabrizi, A., 'Iran's Relations with Russia: From Tactical to Strategic?', LSE Middle East Centre, 4 May 2018, <https://blogs.lse.ac.uk/mec/2018/05/04/irans-relations-with-russia-from-tactical-to-strategic/>.

Batmanghelidj, E., 'Iran Can No Longer Rely on Trade with China', *Bloomberg News*, 27 April 2020, <https://www.bloomberg.com/opinion/articles/2020-04-27/iran-can-no-longer-rely-on-trade-with-china>.

Batmanghelidj, E., 'Why Iran Must Legislate away Rampant Corruption', *Al-Monitor*, 1 September 2018, <https://www.al-monitor.com/pulse/originals/2018/08/iran-corruption-economic-crisis-rouhani-reform-legislation.html>.

BBC, 'Iran Plane Crash: Protesters Condemn "Lies" on Downed Jet', *BBC*, 11 January 2020, <https://www.bbc.com/news/world-middle-east-51079965>.

BBC, 'Revolutionary Guard Corps: Iran Hits back at US Terrorist Claim', *BBC*, 9 April 2019, <https://www.bbc.com/news/world-us-canada-47865522>.

BBC, 'Iran developing nuclear-capable missiles, European powers warn UN', *BBC*, 5 December 2019, <https://www.bbc.co.uk/news/world-middle-east-50671003>

Borger, J. and Chulov, M., 'US Kills Iran General Qassem Suleimani in Strike Ordered by Trump', *The Guardian*, 2 January 2020, <https://www.theguardian.com/world/2020/jan/03/baghdad-airport-iraq-attack-deaths-iran-us-tensions> (Accessed on 7 August 2020).

Borger, J. and Wintour, P., 'Missiles Launched by Iran against US Airbases in Iraq', *The Guardian*, 8 January 2020, <https://www.theguardian.com/world/2020/jan/07/trump-iran-suleimani-threats-retaliation> (Accessed on 7 August 2020).

- Bozorgmehr, N, 'Iran's Hardliners Head for Sweeping Election Victory', *Financial Times*, 22 February 2020, <https://www.ft.com/content/5aa1a1ae-5590-11ea-abe5-8e03987b7b20>.
- Center for Human Rights in Iran, 'Rouhani's Citizens' Rights Charter: A Harmful Distraction', 1 May 2018, <https://iranhumanrights.org/2018/05/rouhanis-citizens-rights-charter-a-harmful-distraction/>.
- Chulov, M., 'Lebanon's Leader Mustapha Adib Steps Down as Hopes for Reform Collapse', *The Guardian*, 26 September 2020, <https://www.theguardian.com/world/2020/sep/26/lebanons-leader-mustapha-adib-steps-down-as-hopes-for-reform-collapse>.
- Cooper, H., 'What We Know About Iran Shooting Down a U.S. Drone', *The New York Times*, 20 June 2019, <https://www.nytimes.com/2019/06/20/us/politics/drone-shot-down-iran-us.html> (Accessed on 5 August 2020).
- Council of the EU, 'Fight against terrorism: Council Renews the Designations on the EU Terrorist List and Adds Two Iranian Individuals and One Iranian Entity in Response to Recent Foiled Attacks on European Soil', 9 January 2019, <https://www.consilium.europa.eu/en/press/press-releases/2019/01/09/fight-against-terrorism-council-renews-the-designations-on-the-eu-terrorist-list-and-adds-two-iranian-individuals-and-one-iranian-entity-in-response-to-recent-foiled-attacks-on-european-soil/pdf>.
- Council of the European Union, 'Conclusions of the Presidency', PART D – External Relations, para. 15, Edinburgh, December 11–12, 1992, [http://www.europarl.europa.eu/summits/edinburgh/d0\\_en.pdf](http://www.europarl.europa.eu/summits/edinburgh/d0_en.pdf) (Accessed on 23 August 2020).
- Cullis, T. and Handjani, A., 'The Anatomy of Humanitarian Trade with Iran', *Lawfare blog*, 14 May 2020, <https://www.lawfareblog.com/anatomy-humanitarian-trade-iran>.
- Cunningham, E. et al., 'Soleimani's Funeral Procession in Iran Sees Massive Crowds and Calls for Revenge', *The Washington Post*, 7 January 2020, [https://www.washingtonpost.com/world/middle-east/soleimanis-funeral-procession-in-iran-sees-massive-crowds-and-calls-for-revenge/2020/01/06/bcc3bb80-3090-11ea-9313-6c8a89b1b9fb\\_story.html](https://www.washingtonpost.com/world/middle-east/soleimanis-funeral-procession-in-iran-sees-massive-crowds-and-calls-for-revenge/2020/01/06/bcc3bb80-3090-11ea-9313-6c8a89b1b9fb_story.html).
- Davenport K., 'Iran Continues to Stockpile Uranium', *Arms Control Association*, July 2020, <https://www.armscontrol.org/act/2020-07/news/iran-continues-stockpile-uranium> (Accessed on 5 August 2020).
- Davenport K., 'The P5+1 and Iran Nuclear Deal Alert', *Arms Control Association*, 25 April 2018, <https://www.armscontrol.org/blog/2018-04-25/p51-iran-nuclear-deal-alert-april-25-2018> (Accessed on 10 August 2020).
- Dehghan, S. K., 'Revolutionary Guards Tried to Sabotage Iran's Nuclear Deal, Says President', *The Guardian*, 5 May 2017, <https://www.theguardian.com/world/2017/may/05/iran-president-hassan-rouhani-nuclear-agreement-sabotaged>.
- Deutsche Welle (a), 'Caspian Sea Deal Benefits Russia, Troubles Iran', 15 August 2018, <https://p.dw.com/p/3321v>.
- Deutsche Welle (b), 'Denmark Foils "Iranian Intelligence Agency" Attack', 30 October 2018, <https://www.dw.com/en/denmark-foils-iranian-intelligence-agency-attack/a-46092945>.
- Deutsche Welle, 'Iran on the Blacklist of FATF: Rouhani's Ironic Allusion and the "Gentlemen's Fear" of Financial Transparency', 24 February 2020, <https://www.dw.com/fa-ir/کنایه-روحانی-و-fatf-ایران-در-لیست-سیاه-ا-52500388>.

DiChristopher, T., 'Iran is Threatening to Close the World's Most Important Transit Lane for Crude Oil', *CNBC*, 5 July 2018, <https://www.cnbc.com/2018/07/05/iran-is-threatens-to-close-critical-transit-lane-for-crude-oil.html> (Accessed on 5 August 2020).

Directorate-General for Trade, 'European Union, Trade in Goods with Iran', European Commission, 08 May 2020, [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_iran\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_iran_en.pdf).

Dozikova D. and Bassiri Tabrizi, A., 'Europe Continues to Brush off the US Maximum Pressure Campaign against Iran', *Lawfare*, 15 July 2020, <https://www.lawfareblog.com/europe-continues-brush-us-maximum-pressure-campaign-against-iran> (Accessed on 5 August 2020).

EEAS, 'JCPOA: Joint Statement by Spokespersons of the High Representative of the EU and the Foreign Ministries of France, Germany and the United Kingdom', 20 May 2020, [https://eeas.europa.eu/delegations/iran/80128/jcpoa-joint-statement-spokespersons-high-representative-eu-and-foreign-ministries-france\\_en](https://eeas.europa.eu/delegations/iran/80128/jcpoa-joint-statement-spokespersons-high-representative-eu-and-foreign-ministries-france_en).

Emmott, R., 'EU Regrets US Refusal to Allow Economic Aid for Iran to Fight Coronavirus', *Reuters*, 22 April 2020, <https://www.reuters.com/article/us-health-coronavirus-iran-eu-regrets-u-s-refusal-to-allow-economic-aid-for-iran-to-fight-coronavirus-idUSKCN22431Y>.

Esfandiari, G., 'IRGC's "Terrorist" Designation Raises US Stakes Over Iran', *RFEL*, 9 April 2019, <https://www.rferl.org/a/irgc-terrorist-designation-raises-us-stakes-over-iran/29871127.html>.

Esfandiary, D. and Tabatabai, A., *Triple-Axis: Iran's Relations with Russia and China*, I.B.Tauris, 2018.

EU Reporter, 'MEPs Discuss Mojahedine-E Khalq (MEK) Threat in #Albani', 13 April 2018, <https://www.eureporter.co/politics/2018/04/13/meps-discuss-mojahedine-e-khalq-mek-threat-in-albania/>.

European Commission, 'EU-Iran: Launch of Negotiations on New Agreements with Iran', IP/02/1862, Brussels, 11 December 2002, [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_02\\_1862](https://ec.europa.eu/commission/presscorner/detail/en/IP_02_1862) (Accessed on 23 August 2020).

European Commission, 'EU/Iran Negotiations for Trade & Cooperation Agreement to Restart on 12 January', 11 January 2005, [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_05\\_18](https://ec.europa.eu/commission/presscorner/detail/en/IP_05_18).

European Commission, 'Trade with Iran', 2020, <https://ec.europa.eu/trade/policy/countries-and-regions/countries/iran/>.

European Commission, 'Joint Statement by the High Representative/Vice-President of the European Union, Federica Mogherini and the Minister of Foreign Affairs of the Islamic Republic of Iran, Javad Zarif', 16 April 2016, [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_16\\_1441](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_16_1441).

European Council, 'Iran: Council Extends by One Year Sanctions Responding to Serious Human Rights Violation', 8 April 2019, <https://www.consilium.europa.eu/en/press/press-releases/2019/04/08/iran-council-extends-by-one-year-sanctions-responding-to-serious-human-rights-violation/>.

European Parliament, 'Answer Given by the High Representative/Vice-President Mogherini', 6 November 2015, Question Reference E-012725/2015, [https://www.europarl.europa.eu/doceo/document/E-8-2015-012725-ASW\\_EN.html](https://www.europarl.europa.eu/doceo/document/E-8-2015-012725-ASW_EN.html) (Accessed on 17 August 2020).

European Parliament, 'EU Strategy Towards Iran After the Nuclear Agreement', 25 October 2016, [https://www.europarl.europa.eu/doceo/document/TA-8-2016-0402\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-8-2016-0402_EN.html) (Accessed on 17 August 2020).

European Parliament, 'Resolution on Iran, Notably the Case of Human Rights Defenders', 14 March 2019, [https://www.europarl.europa.eu/doceo/document/TA-8-2019-0204\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-8-2019-0204_EN.html).

European Union External Action (a), 'JCPOA: Statement by EU High Representative Josep Borrell in his Capacity as Coordinator of the Joint Commission on the Fifth Anniversary of the Iran Deal', Brussels, 14 July 2020, [https://eeas.europa.eu/headquarters/headquarters-homepage/82811/jcpoa-statement-eu-high-representative-josep-borrell-his-capacity-coordinator-joint-commission\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/82811/jcpoa-statement-eu-high-representative-josep-borrell-his-capacity-coordinator-joint-commission_en).

European Union External Action (b), 'JCPOA: Statement by EU High Representative Josep Borrell, Coordinator of the Joint Commission of the Joint Comprehensive Plan of Action, Brussels, 20 August 2020, [https://eeas.europa.eu/headquarters/headquarters-homepage/84267/jcpoa-statement-eu-high-representative-josep-borrell-coordinator-joint-commission-joint\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/84267/jcpoa-statement-eu-high-representative-josep-borrell-coordinator-joint-commission-joint_en).

European Union External Action (c), 'Iran: Statement by the Spokesperson on the Execution of Navid Afkari', 14 September, 2020, [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/85055/%20Iran:%20Statement%20by%20the%20Spokesperson%20on%20the%20execution%20of%20Navid%20Afkari](https://eeas.europa.eu/headquarters/headquarters-homepage_en/85055/%20Iran:%20Statement%20by%20the%20Spokesperson%20on%20the%20execution%20of%20Navid%20Afkari).

European Union External Action, 'Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy.', June 2016, [https://eeas.europa.eu/archives/docs/top\\_stories/pdf/eugs\\_review\\_web.pdf](https://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf).

Fagih, R., 'Iran's Rouhani Shows Spark of Old Self against Hard-liners', *Al Monitor*, 12 November 2019, <https://www.al-monitor.com/pulse/originals/2019/11/iran-rouhani-spark-old-self-hard-liners.html>.

Fassihi, F. and Norman, L., 'EU and U.N. Criticize Iran Missile Tests but Take No Action', *The Wall Street Journal*, 14 March 2016, <https://www.wsj.com/articles/eu-to-weigh-response-to-iran-missile-tests-1457953282> (Accessed on 23 August 2020).

Faucon, B., Meichtry, S. and Fitch, A., 'Iran's Government and Revolutionary Guards Battle for Control of Economy', *The Wall Street Journal*, 18 May 2016, <https://www.wsj.com/articles/irans-government-and-revolutionary-guards-battle-for-control-of-economy-1463584510>.

Financial Tribune (a), 'IMF: Iran Economic Growth to Reach 3.1 Percent in 2021', 15 April 2020, <https://financialtribune.com/articles/domestic-economy/102866/imf-iran-economic-growth-to-reach-31-percent-in-2021>.

Financial Tribune (b), 'Iran's H1 Trade with EU Drops 7 % YOY to EUR 2.2 Billion', 21 August 2020, <https://financialtribune.com/articles/domestic-economy/104920/irans-h1-trade-with-eu-drops-7-yoy-to-22-billion>.

Finnegan, C., 'Top US Official Refuses to Say if Trump Has Authority to Strike Iran After Pompeo Lays out 'Red Line'', *ABC News*, 20 June 2019, <https://abcnews.go.com/Politics/top-us-official-refuses-trump-authority-strike-iran/story?id=63819125> (Accessed on 6 August 2020).

Fitch, A. 'Iran Launches Ballistic Missiles in Military Exercise', *The Wall Street Journal*, 8 March 2016, <https://www.wsj.com/articles/iran-launches-ballistic-missiles-in-military-exercise-1457438730> (Accessed on 6 August 2020).

Fitzpatrick, M., 'What the Latest IAEA Reports Mean for the Future of the Iran Nuclear Deal', *IJSS Analysis*, 12 June 2020, <https://www.ijss.org/blogs/analysis/2020/06/mide-the-latest-iaea-reports-for-the-iran-nuclear-deal>.

Foreign and Commonwealth Office (a), 'E3 Foreign Ministers' Statement on the JCPOA: 14 January 2020', <https://www.gov.uk/government/news/e3-foreign-ministers-statement-on-the-jcpoa-14-january-2020> (Accessed on 5 August 2020).

Foreign and Commonwealth Office (b), 'E3 Foreign Ministers' Statement on the JCPOA, 20 August 2020, <https://www.gov.uk/government/speeches/e3-foreign-ministers-statement-on-the-jcpoa> (Accessed on 23 August 2020).

Foreign and Commonwealth Office, 'Joint statement by the Heads of State and Government of France, Germany and the United Kingdom', 23 September 2019, <https://www.gov.uk/government/news/joint-statement-by-the-heads-of-state-and-government-of-france-germany-and-the-united-kingdom>.

France 24, 'EU Sanctions Iran over Assassination Plots', 9 January 2019, <https://www.france24.com/en/20190109-eu-sanctions-iran-over-assassinations-peoples-mujahedeen-france-bomb-plot>.

Garver, J., *China and Iran: Ancient Partners in a Post-Imperial World*, University of Washington Press, 2006.

German Federal Foreign Office, 'E3-Statement on Iran, 19 June 2020', <https://www.auswaertiges-amt.de/en/newsroom/news/-/2354554> (Accessed on 5 August 2020).

Gharib Abadi, K., 'Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council resolution 2231 (2015)', Permanent Mission to the United Nations and Other International Organisations, 9-12 March 2020, [https://viennaun.mfa.ir/files/viennaunen/newspics/1705960357\\_139812212023.pdf](https://viennaun.mfa.ir/files/viennaunen/newspics/1705960357_139812212023.pdf) (Accessed 5 August 2020).

Gladstone, R., 'Russia Vetoes U.N. Resolution to Pressure Iran Over Yemen Missiles', *New York Times*, 26 February 2018, <https://www.nytimes.com/2018/02/26/world/middleeast/iran-yemen-security-council.html>.

Goldberg, J., 'The Obama Doctrine. The US president Talks Through his Hardest Decisions about America's Role in the World.', *The Atlantic*, April 2016, <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>.

Gordon, M. R., 'Rocket Attack in Iraq Kills US Contractor, Wounds Four US Troops', *The Wall Street Journal*, 28 December 2020, <https://www.wsj.com/articles/rocket-attack-in-iraq-kills-u-s-contractor-wounds-four-u-s-troops-11577492632> (Accessed on 6 August 2020).

Government of the Netherlands, 'Letter of 8 January 2019 from the Minister of Foreign Affairs, Stef Blok, and the Minister of the Interior and Kingdom Relations, Kajsa Ollongren, to the President of the House of Representatives on Sanctions against Iran on the Grounds of Undesirable Interference', 8 January 2019.

Hafezi, P. and Irish, J., 'Iran Willing to Push for Ceasefire in Yemen Talks with European Powers', *Reuters*, 29 May 2018, <https://www.reuters.com/article/us-iran-europe-yemen/iran-willing-to-push-for-ceasefire-in-yemen-talks-with-european-powers-idUSKCN1IU1FQ> (Accessed on 10 August 2020).

Hanna, A., 'The Invisible US-Iran Cyber War', *Iran Primer*, 23 July 2020, <https://iranprimer.usip.org/blog/2019/oct/25/invisible-us-iran-cyber-war> (Accessed on 23 August 2020).

Harb, A., 'How Iranian MEK Went from US Terror List to Halls of Congress', *Middle East Eye*, 17 July 2019, <https://www.middleeasteye.net/big-story/iranian-mek-us-terror-list-halls-congress-PMOI-Iran>.

Hinz, F., 'Have Iran's Space Ambitions Taken a Worrisome New Turn?', *European Leadership Network*, 24 April 2020, <https://www.europeanleadershipnetwork.org/commentary/have-irans-space-ambitions-taken-a-worrisome-new-turn/> (Accessed on 11 August 2020).

Hook, B., 'The Iranian Regime's Transfer of Arms to Proxy Groups and Ongoing Missile Development', *U.S. State Department*, 29 November 2018, <https://www.state.gov/the-iranian-regimes-transfer-of-arms-to-proxy-groups-and-ongoing-missile-development-2/> (Accessed on 8 August 2020).

Hubbard, B., 'As US Tightens Iran Sanctions, Militant Groups and Political Allies Feel the Pain', *The New York Times*, 28 March 2019, <https://www.nytimes.com/2019/03/28/world/middleeast/iran-sanctions-arab-allies.html?action=click&module=Well&pgtype=Homepage&section=World> (Accessed on 10 August 2020).

Human Rights Watch, 'Iran: Arrests, Harassment of Baha'is', 16 October 2018, <https://www.hrw.org/news/2018/10/16/iran-arrests-harassment-bahais>.

Human Rights Watch, 'Iran: Child Protection Law Positive, but Insufficient', 23 June 2020, <https://www.hrw.org/news/2020/06/23/iran-child-protection-law-positive-insufficient>.

Human Rights Watch, "'Maximum Pressure", US Economic Sanctions Harm Iranians' Right to Health', 29 October 2019, <https://www.hrw.org/report/2019/10/29/maximum-pressure/us-economic-sanctions-harm-iranians-right-health>.

Human Rights Watch, 'Iran: Raising the Death Penalty Bar. Parliament Amends Drug Law', 15 August 2017, <https://www.hrw.org/news/2017/08/15/iran-raising-death-penalty-bar>.

Immenkamp, B., 'EU-Iran: The Way Forward. Can the JCPOA Survive the Trump Presidency?', *European Parliamentary Research Service*, July 2020, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/652001/EPRS\\_BRI\(2020\)652001\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/652001/EPRS_BRI(2020)652001_EN.pdf).

International Atomic Energy Agency, 'IAEA and Iran - IAEA Reports', <https://www.iaea.org/newscenter/focus/iran/iaea-and-iran-iaea-reports> (accessed on 3 August 2020).

International Atomic Energy Agency, 'Joint Statement by the Director General of the IAEA and the Vice-President of the Islamic Republic of Iran and Head of the AEOI', 26 August 2020, <https://www.iaea.org/newscenter/pressreleases/joint-statement-by-the-director-general-of-the-iaea-and-the-vice-president-of-the-islamic-republic-of-iran-and-head-of-the-aeoi>.

International Atomic Energy Agency, 'Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council Resolution 2231 (2015)', Board of Governors, GOV/2020/26, 5 June 2020, <https://www.iaea.org/sites/default/files/20/06/gov2020-26.pdf> (Accessed 5 June 2020).

International Crisis Group, 'How Europe Can Save the Iran Nuclear Deal', ICG International Crisis Group, Report 185, 2 May 2018, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iran/185-how-europe-can-save-iran-nuclear-deal> (Accessed on 21 August 2020).

Iran Primer, 'Dual Nationals and Foreigners Held in Iran', *The Iran Primer*, 16 June 2020, <https://iranprimer.usip.org/blog/2016/jul/25/dual-nationals-and-foreigners-held-iran>.

Iran Primer, 'Trump Administration on Evidence of Iran Threat', *The Iran Primer*, 13 January 2020, <https://iranprimer.usip.org/blog/2020/jan/13/us-administration-evidence-soleimani-threat> (Accessed on 7 August 2020).

Iran Primer, 'Dual Nationals and Foreigners Held in Iran', 16 June 2020,

<https://iranprimer.usip.org/blog/2016/jul/25/dual-nationals-and-foreigners-held-iran>.

Jalabi, R., 'Iran-backed Attacks in Iraq Risks Uncontrollable Escalation - U.S. official', *Reuters*, 11 December 2019, <https://www.reuters.com/article/us-iraq-security-usa/iran-backed-attacks-in-iraq-risks-uncontrollable-escalation-u-s-official-idUSKBN1YF22A> (Accessed on 6 August 2020).

Kamiar, B., 'Iran "Ready to Discuss Human Rights" if EU Fixes Nuclear Accord', *Euronews*, 28 November 2018.

[Katz, Mark N.](#), 'Russian-Iranian Relations in the Obama Era', *Middle East Policy* vol. 17 Iss. 2, 2010.

Kennedy, C., 'China's Oil Imports from Saudi Arabia Jump to Record High', *Oilprice*, 26 June 2020, <https://oilprice.com/Energy/Energy-General/Chinas-Oil-Imports-From-Saudi-Arabia-Jump-To-Record-High.html>.

Kershner, I., 'Iran Deal Denounced by Netanyahu as "Historic Mistake"', *New York Times*, 15 July 2020.

Khajepour, B. (a), 'Containing Corruption Key to Iran's Economic Recovery', *Al Monitor*, 21 April 2020, <https://www.al-monitor.com/pulse/originals/2020/04/iran-contain-corruption-key-economy-recovery-coronavirus.html>.

Khajepour, B. (b), 'Anatomy of the Iranian Economy', *UI Paper* 6/2020, <https://www.ui.se/globalassets/butiken/ui-paper/2020/ui-paper-no.-6-2020.pdf>.

Kullab, S., 'Rocket Fired Toward US Embassy in Iraq Injures Child', *ABC News*, 5 July 2020, <https://abcnews.go.com/International/wireStory/rocket-fired-us-embassy-iraq-injures-child-71616074> (Accessed on 7 August 2020).

Lechner, S. M., 'Statement on Behalf of Euratom', 63rd General Conference of the IAEA, Vienna, 19 September 2019, <https://www.iaea.org/sites/default/files/19/09/gc63-euratom.pdf>.

Lopez, C. T., 'U.S. Strikes 5 Kata'ib Hezbollah Targets in Iraq', *DOD News*, 13 March 2020, <https://www.defense.gov/Explore/News/Article/Article/2111698/us-strikes-5-kataib-hezbollah-targets-in-iraq/> (Accessed on 7 August 2020).

Macias, A., 'Iran Unveils New Missiles as Tensions between Washington and Tehran Mount over Arms Embargo', *CNN*, 20 August 2020, <https://www.cnn.com/2020/08/20/iran-unveils-new-missiles-amid-tensions-with-washington.html> (Accessed on 23 August 2020).

Majidyar, A., 'Iran Vows to Further Empower IRGC after Trump Signs Sanctions Bill', *Middle East Institute*, 2 August 2017, <https://www.mei.edu/publications/iran-vows-further-empower-irgc-after-trump-signs-sanctions-bill>.

Mehr News Agency, 'Iran Takes Final JCPOA Step, Removing Last Limit on Nuclear Program', *Mehr News Agency*, 5 January 2020, <https://en.mehrnews.com/news/154191/Iran-takes-final-JCPOA-step-removing-last-limit-on-nuclear-program> (Accessed on 3 August 2020).

Michael, M., 'Cracks in Saudi-UAE Coalition Risk New War in Yemen', *ABC News*, 6 September 2019, <https://abcnews.go.com/International/wireStory/cracks-saudi-uae-coalition-risk-war-yemen-65424345>.

Ministry of Europe and Foreign Affairs, 'Joint Statement on the Creation of INSTEX, the Special Purpose Vehicle Aimed at Facilitating Legitimate Trade with Iran in the Framework of the Efforts to Preserve the Joint Comprehensive Plan of Action (JCPOA)', 31 January 2019,

<https://www.diplomatie.gouv.fr/en/country-files/iran/news/article/joint-statement-on-the-creation-of-instex-the-special-purpose-vehicle-aimed-at>.

Ministry of Europe and Foreign Affairs, 'Statement by the Foreign Ministers of France, Germany and the United Kingdom', 19 June 2020, <https://www.diplomatie.gouv.fr/en/country-files/iran/news/article/statement-by-the-foreign-ministers-of-france-germany-and-the-united-kingdom-19> (Accessed on 23 August 2020).

Mogherini, F., 'The Iran Agreement is a Disaster for Isis', *The Guardian*, 28 July 2015, <https://www.theguardian.com/commentisfree/2015/jul/28/iran-agreement-isis-vienna-eu> (Accessed on 17 August 2020).

Monshipouri, M., *Inside the Islamic Republic: Social Change in Post-Khomeini Iran*, Oxford University Press, 2016.

New York Times, 'Read the Full Transcript of Trump's Speech on the Iran Nuclear Deal', 8 May 2018, <https://www.nytimes.com/2018/05/08/us/politics/trump-speech-iran-deal.html>.

Nichols, M., 'Exclusive: UN Investigators Find Yemen's Houthis Did Not Carry out Saudi Oil Attack', *Reuters*, 8 January 2020, <https://www.reuters.com/article/us-saudi-aramco-attacks-un-exclusive/exclusive-un-investigators-find-yemens-houthis-did-not-carry-out-saudi-oil-attack-idUSKBN1Z72VX> (Accessed on 6 August 2020).

Parsi, R., 'Great Expectations: The Iranian Economy after the Nuclear Deal', *International Policy Analysis*, Friedrich Ebert Stiftung, December 2016, <http://library.fes.de/pdf-files/iez/12987.pdf>.

Parsi, R., 'The US withdrawal from the JCPOA and the politics of Iranian regional engagement' in A. Vogt and D. Jalilvand (eds.) *One year after the re-imposition of sanctions. Perspectives on the strategic implications of the US »maximum pressure« campaign against Iran*. November 2019 Friedrich Ebert Stiftung, <http://library.fes.de/pdf-files/iez/15761.pdf>

Parsi, T., *Losing an Enemy. Obama, Iran, and the Triumph of Diplomacy*, Yale University Press, 2017.

Perteghella, A, *Iran Looking East: An Alternative to the EU?*, *ISPI*, 2019, [https://www.ispionline.it/sites/default/files/pubblicazioni/isp\\_iiran\\_looking\\_web.pdf](https://www.ispionline.it/sites/default/files/pubblicazioni/isp_iiran_looking_web.pdf).

Pompeo, M., 'Iran and Hizballah Have Terrorized Europe since 1979', 8 January 2019, <https://twitter.com/secpompeo/status/1082724497885724672>.

Radio Farda, 'Iran FATF-related Legislation Rejected by Expediency Council', 22 January 2020, <https://en.radiofarda.com/a/iran-fatf-related-legislation-rejected-by-expediency-council/30391667.html>.

Radio Farda, 'Rouhani Lambasts IRGC's Role in the Economy', 24 June 2017, <https://en.radiofarda.com/a/iran-rouhani-economy-irgc-role-privatization/28576516.html>.

Ramani, S., 'Is the UAE's Engagement with Iran a Cold Peace or Genuine Rapprochement?', *Responsible Statecraft*, 12 August 2020, <https://responsiblestatecraft.org/2020/08/12/uae-engagement-iran-cold-peace-genuine-rapprochement/>.

Ramzani, A., 'Rouhani Seeks to Limit IRGC Role in Politics, Economy', *Al-Monitor*, 2014, <https://www.al-monitor.com/pulse/ar/originals/2014/04/irgc-iran-rouhani.html>.

Rasmussen, S. E. and Gordon, M. R., 'Iran Defies U.S. Bid to Curb Its Middle East Influence', *The Wall Street Journal*, 7 September 2018, <https://www.wsj.com/articles/iran-defies-u-s-bid-to-curb-its-middle-east-influence-1536318002> (Accessed on 10 August 2020).

Reardon-Anderson, J. (ed.), *The Red Star and the Crescent: China and the Middle East*, Oxford University Press, 2018.

Reuters, 'Coronavirus and Sanctions Hit Iran's Support of Proxies in Iraq', *Reuters*, 2 July 2020, <https://www.reuters.com/article/us-iran-iraq-proxies-insight/coronavirus-and-sanctions-hit-irans-support-of-proxies-in-iraq-idUSKBN2432EY> (Accessed on 9 August 2020).

Reuters, 'Iran Tests New Missile after US Criticizes Arms Program', *Reuters*, 23 September 2017, <https://www.reuters.com/article/us-iran-military-missiles/iran-tests-new-missile-after-u-s-criticizes-arms-program-idUSKCN1BY07B> (Accessed on 10 August 2020).

Saudi Embassy, 'Saudi Arabia and the Visit of President Trump', Report Saudi Embassy Washington DC, June 2017, [https://www.saudiembassy.net/sites/default/files/WhitePaper\\_TrumpVisit\\_June2017.pdf](https://www.saudiembassy.net/sites/default/files/WhitePaper_TrumpVisit_June2017.pdf).

Saul, J., Hafezi, P. and Georgy, M., 'Exclusive: Iran Steps up Support for Houthis in Yemen's War - Sources', *Reuters*, 21 March 2017, <https://www.reuters.com/article/us-yemen-iran-houthis/exclusive-iran-steps-up-support-for-houthis-in-yemens-war-sources-idUSKBN16S22R> (Accessed on 9 August 2020).

Schwartz, F. and Youssef, N. A., 'Israel Strikes Iraq in Expansion of Campaign Against Iran', *The Wall Street Journal*, 23 August 2019, <https://www.wsj.com/articles/israel-strikes-iraq-in-expansion-of-campaign-against-iran-11566574069> (Accessed on 6 August 2020).

Scita, J., 'From Bilateralism to Multilateralism. Iran's Place in China's Eurasian Projects' in *Iran in the New Eurasian Context*, ed. Esfandyar Batmanghelidj, Bourse & Bazaar Special report, July 2020, [https://www.bourseandbazaar.com/s/BB\\_MEI\\_INSIGHTS\\_Iran\\_In\\_Eurasia\\_July-2020.pdf](https://www.bourseandbazaar.com/s/BB_MEI_INSIGHTS_Iran_In_Eurasia_July-2020.pdf).

Scita, J., 'To Understand the China-Iran Deal, Forget the Hype and Look at the Context', *Responsible Statecraft*, 15 July 2020, <https://responsiblestatecraft.org/2020/07/15/to-understand-the-china-iran-deal-forget-the-hype-and-look-at-the-context/>.

Sepehri Far, T., 'Iran's Nationality Law Bill Highlights Challenges for Legislative Reform', *Atlantic Council*, 9 August 2019, <https://www.atlanticcouncil.org/blogs/iransource/iran-s-nationality-law-bill-highlights-challenges-for-legislative-reform/>.

Sharafedin, B., 'Iran Hardliners, Pragmatists Show Unity in Response to Trump', *Reuters*, 10 October 2017, <https://www.reuters.com/article/us-iran-nuclear-usa-irgc/iran-hardliners-pragmatists-show-unity-in-response-to-trump-idUSKBN1CF0R0>.

Shariatnia, M., 'Why Iran Has Opened up About Engagement with Taliban', *Al Monitor*, 8 January 2019, <https://www.al-monitor.com/pulse/originals/2019/01/iran-afghanistan-taliban-outreach-uae-saudi-pakistan-trump.html> (Accessed on 10 August 2020).

Shear, M., Schmitt, E. Crowley, M. and Haberman, M. 'Strikes on Iran Approved by Trump, Then Abruptly Pulled back', *The New York Times*, 20 June 2019, <https://www.nytimes.com/2019/06/20/world/middleeast/iran-us-drone.html> (Accessed on 6 August 2020).

Shear, M.D. and Baker, P., 'Saudis Welcome Trump's Rebuff of Obama's Mideast Views', *New York Times*, 20 May 2020, <https://www.nytimes.com/2017/05/20/world/middleeast/donald-trump-saudi-arabia.html>.

Siddiqui, S., 'Why Iran Won't Be Joining the Shanghai Cooperation Organization Anytime Soon', *The Globe Post*, 27 July 2019, <https://theglobepost.com/2019/06/27/iran-china-sco/>.

Sinjab, L., 'Russia and Iran Are Increasingly Competitive in Syria', *Chatham House*, February 2018, <https://syria.chathamhouse.org/research/russia-and-iran-are-increasingly-competitive-in-syria>.

Srivastava, M., 'Israel-Iran Attacks: 'Cyber Winter Is Coming'', *Financial Times*, 31 May 2020, <https://www.ft.com/content/3ea57426-40e2-42da-9e2c-97b0e39dd967> (Accessed on 23 August 2020).

Starr, B. and Bohn, K., 'US Strikes 5 Facilities in Iraq and Syria Linked to Iranian-backed Militia', *CNN*, 20 December 2019, <https://edition.cnn.com/2019/12/29/politics/us-strikes-iran-backed-militia-facilities-in-iraq-syria/index.html> (Accessed on 6 August 2020).

Starr, B., Browne, R., Gaouette, N. and LeBlanc P., '2 Americans and 1 British National Killed in Rocket Attack on Base in Iraq', *CNN*, 11 March 2020, <https://edition.cnn.com/2020/03/11/politics/americans-killed-iraq-rocket-attack/index.html> (Accessed on 7 August 2020).

Supreme National Security Council, 'Iran Stops Some of its Measures under JCPOA', *Supreme National Security Council*, 8 May 2019, <http://president.ir/en/109588> (accessed on 3 August 2020).

Tabatabai, A. and Clarke, C. P., 'Iran's Proxies Are More Powerful Than Ever', *Rand Corporation*, 16 October 2019, <https://www.rand.org/blog/2019/10/irans-proxies-are-more-powerful-than-ever.html> (Accessed on 10 August 2020).

Talley, I. and Faucon, B., 'US to Block Iran's Request to IMF for USD 5 Billion Loan to Fight Coronavirus', *Wall Street Journal*, 7 April 2020, <https://www.wsj.com/articles/u-s-to-block-irans-request-to-imf-for-5-billion-loan-to-fight-coronavirus-11586301732>.

Tasnim News Agency, 'IRGC Fires Underground Ballistic Missiles in War Game', *Tasnim News Agency*, 29 July 2020, <https://www.tasnimnews.com/en/news/2020/07/29/2316809/irgc-fires-underground-ballistic-missiles-in-war-game> (Accessed on 10 August 2020).

Toosi, S., 'How John Bolton and Mike Pompeo Thwarted Trump's Plan to Get a Deal with Iran', *Responsible Statecraft*, 1 July 2020, <https://responsiblestatecraft.org/2020/07/01/how-john-bolton-and-mike-pompeo-thwarted-trumps-plan-to-get-a-deal-with-iran/>.

Tsir Cohen, E. and Huggard, K., 'What Can We Learn from the Escalating Israeli Raids in Syria?', *Brookings Institute*, 6 December 2019, <https://www.brookings.edu/blog/order-from-chaos/2019/12/06/what-can-we-learn-from-the-escalating-israeli-raids-in-syria/>.

US Department of State, 'On-The-Record Briefing with Director of Policy Planning Brian Hook on Iran', 18 May 2018, <https://translations.state.gov/2018/05/18/on-the-record-briefing-with-director-of-policy-planning-brian-hook-on-iran/> (Accessed on 10 August 2020).

US Naval Forces Central Command, US Central Command, 'IRGCN Vessels Conduct Unsafe, Unprofessional Interaction with US Naval Forces in Arabian Gulf', US Central Command, 15 April 2020, <https://www.centcom.mil/MEDIA/NEWS-ARTICLES/News-Article-View/Article/2151736/irgcn-vessels-conduct-unsafe-unprofessional-interaction-with-us-naval-forces-in/> (Accessed on 7 August 2020).

United Nations Security Council, 'Letter dated 21 November 2019 from the Permanent Representatives of France, Germany and the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General', S/2019/911, 27 November 2019.

United States Mission to the UN, 'Explanation of Vote on the U.S. Resolution Extending the Iran Arms Embargo', 14 August 2020, <https://usun.usmission.gov/explanation-of-vote-on-the-u-s-resolution-extending-the-iran-arms-embargo/> (Accessed on 23 August 2020).

US State Department, 'Designation of the Islamic Revolutionary Guard Corps', 8 April 2019, <https://www.state.gov/designation-of-the-islamic-revolutionary-guard-corps/> (Accessed on 24 August 2020).

Vahabzadeh, P. (ed.), *Iran's Struggles for Social Justice. Economics, Agency, Justice, Activism*, Palgrave MacMillan, 2017.

Vogt, A. and Jalilvand, D. (eds.), 'One Year After the Re-imposition of Sanctions. Perspectives on the Strategic Implications of the US "maximum pressure" Campaign Against Iran', Friedrich Ebert Stiftung Analysis 2019, <http://library.fes.de/pdf-files/iez/15761.pdf>.

Walsh, D., 'War Within War: As Saudi Prince Edges Away from Yemen, His Allies Feud.', *New York Times*, 28 April 2020, <https://www.nytimes.com/2020/04/28/world/middleeast/yemen-separatists-saudi-arabia.html>.

White House, 'Statement by the President on the Iran Nuclear Deal', *The White House*, 12 January 2018, <https://www.whitehouse.gov/briefings-statements/statement-president-iran-nuclear-deal/> (Accessed on 10 August 2020).

Winter, C., 'What is the EU-Iran Payment Vehicle INSTEX?', *Deutsche Welle*, 31 January 2019, <https://www.dw.com/en/what-is-the-eu-iran-payment-vehicle-instex/a-47306401>.

Wintour, P., 'UK, France and Germany Summon Iranian Ambassadors over Prisoners', *The Guardian*, 23 September 2020, <https://www.theguardian.com/world/2020/sep/23/uk-france-and-germany-summon-iranian-ambassadors-over-prisoners>.

World Bank, 'Iran's Economic Update - April 2020', 16 April 2020, <https://www.worldbank.org/en/country/iran/publication/economic-update-april-2020>.

Yossef, A., 'Upgrading Iran's Military Doctrine: An Offensive "Forward Defense"', *Middle East Institute*, 10 December 2019, [https://www.mei.edu/publications/upgrading-irans-military-doctrine-offensive-forward-defense#\\_edn11](https://www.mei.edu/publications/upgrading-irans-military-doctrine-offensive-forward-defense#_edn11) (Accessed on 8 August 2020).

Zamirirad, A., 'Forced to Go East? Iran's Foreign Policy Outlook and the Role of Russia, China and India', *SWP*, April 2020, [https://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/Working\\_Paper\\_FG06\\_01-2020\\_Forced\\_to\\_Go\\_East\\_Zamirirad.pdf](https://www.swp-berlin.org/fileadmin/contents/products/arbeitspapiere/Working_Paper_FG06_01-2020_Forced_to_Go_East_Zamirirad.pdf).

---

PE603.515  
EP/EXPO/AFET/FWC/2019-01/LOT2/1/C/01

Print ISBN: 978-92-846-7399-5 doi: 10.2861/015307 QA-04-20-640-EN-C  
PDF ISBN: 978-92-846-7400-8 doi: 10.2861/292104 QA-04-20-640-EN-N